

# I Management as consultancy – a case of neo-bureaucracy

## INTRODUCTION – A BOOK ABOUT MANAGEMENT AND ABOUT CONSULTANCY

In place of the ‘organization man’ of corporate hierarchies emerges a new stereotype: the brash . . . high-flyer, adept with the language of MBA programmes and big league consultants, parachuting from one change assignment to the next . . . For less senior managers, the new images available are . . . managers as coaches, teambuilders, facilitators and change agents. *(Grey, 1999: 570 e) 574)*

As the above quotation suggests, the popular image of managers has undergone significant change over the last twenty years or so. Management gurus and business schools have set these new images up against the ‘bad old days’ of management as insular, hierarchical and rule bound, as *bureaucratic*. It is claimed that managers are becoming change focused, enterprising, project based, externally oriented and non-hierarchical (e.g. Tengblad, 2006). This idea of the *post*-bureaucratic manager continues to enjoy popular appeal. However, it has also attracted significant academic criticism. In particular, it has been convincingly argued that such a form of management is not as widespread, inevitable or free of rationality and control as its advocates have suggested (Clegg, 2012). Critics have noted how changes in managerial work involve elements of *both* the new and the old, taking a hybrid or ‘*neo*-bureaucratic’ form rather than a *post*-bureaucratic one (Reed, 2011). What is striking about this emergent hybrid form, which is a key theme of this book, is that, in many respects, it is evocative of management *consultants*. As we shall see, this parallel is not typically acknowledged despite being clearly evident in the above quotation, with references to ‘big league consultants’ and to teambuilding, facilitation and change agency.

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## 2 MANAGEMENT AS CONSULTANCY

We shall argue that significant aspects of managerial work are becoming like consultancy, leading to what we term *management as consultancy*. We see this as one way in which change within management is occurring and explore it through a specific ‘extreme’ case which is both an outcome and a mechanism of change – the emerging role of the *consultant manager*. Consultant managers, who may sometimes be former external consultants, are individual or groups of managers who recognise their roles as a form of consultancy (see Chapter 3 for a more detailed definition). These include those designated as ‘consultants’ in their job or unit titles, as well as other specialists providing advice and facilitation to others in the organisation, typically on a project basis, involving consulting skills such as client and change management. These are often hybrid roles, and this scenario has long been evident in the established positions of managers acting as ‘internal consultants’ but appears to be occurring much more frequently now. Managers and managerial occupations, such as accounting, information technology (IT) and human resource management (HRM), have adopted new roles, sometimes explicitly using the label of ‘consultant’. Drawing on an extensive study of managers, this book examines how and why consultancy practices are brought into work organisations and with what effects, and what *management as consultancy* means more broadly for our understanding of emerging hybrid (neo-bureaucratic) forms of management.

At the same time as exploring management, our focus on consultant managers means this is also a book about consultancy. But it is one that shows consultancy in a different light to that of accounts of ‘big league’ professional service firms or external specialists with rare skills. As external management consultancy has become successful, it has also become quite commonplace in many organisational contexts and far from exotic. We shall examine consultancy as an activity, occupation and identity set *within* management rather than as an entirely distinctive professional group or project. By studying management as consultancy, we both explore a particular mechanism through which new management practices are established and simultaneously

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shed light on an otherwise neglected, yet widespread, form of consultancy. Indeed, we suggest that changes in *managerial* work towards a more hybrid form of neo-bureaucracy also have broader implications for our understanding of consultancy. The notion of neo-bureaucracy underpins the theoretical and empirical approach we adopt in this book, and so the remainder of this introductory chapter examines this in more detail. More specifically, we set out a general framework of neo-bureaucracy that is then developed in subsequent chapters. We also briefly summarise the book's structure.

## TOWARDS A FRAMEWORK OF NEO-BUREAUCRACY

As we shall see in the following chapter, there is little agreement on what management is. This derives from its socially produced, contested and changing form. Indeed, the discourse of management now pervades almost all aspects of everyday life (Hancock and Tyler, 2009), suggesting that it needs to be located in a wider set of debates. For example, management is sometimes, and rightly, tied to its broader economic and social contexts, notably capitalism and modernity. Thus, changes in management are linked to ideas such as 'knowing capitalism' (Thrift, 2005), 'investor capitalism' (Morris, et al., 2008) or 'new spirits of capitalism' (Boltanski and Chiapello, 2005a), and to related debates on neo-liberalism, market rationality, globalisation and feminisation, for example. Management *work* therefore becomes a site within which new discourses around leadership, networks, new public management, knowledge work and enterprise reside (Martin and Wajcman, 2004; O'Reilly and Reed, 2011). Although each of these debates and discourses has its particular focus and nuances, many relate to *empirical* changes claimed of management work, such as around an increased emphasis on 'change, flexibility, leadership and culture' (Tengblad, 2006: 1438). In the study of management work, these empirical observations are typically related to broader discussions and critiques of changing *organisational* forms, including the notion of post-bureaucracy and/or other hybrid forms of organisation – such as neo-bureaucracy – to which we now turn.

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From the 1980s to date, much has been written about the move towards post-bureaucratic organisations, where claimed characteristics include 'less rule-following, less hierarchical control, more flexibility, more coordination based on dialogue and trust, more self-organised units [e.g. projects], and more decentralised decision-making' (Vie, 2010: 183). Reed (2011), for example, outlines an ideal type of the post-bureaucratic organisation (PBO) as comprising *collaboration, flexibility, negotiation, dispersal (decentralisation), personalisation* and *individualisation*. This is typical of other accounts of post-bureaucracy (e.g. Bolin and Härenstam, 2008), although the term 'flexibility' probably under-represents the importance of organisational change, which has become somewhat fetishised in normative accounts of new management (Sturdy and Grey, 2003). Together, the dimensions are based upon an active and oppositional shift away from the familiar Weberian ideal type of the rational bureaucratic organisation (RBO) made up of, respectively, *specialisation, standardisation, formalisation, centralisation, depersonalisation* and *collectivisation* (Reed, 2011: 233). In short, the notion of a PBO represents a rejection of the perceived rigidities of the RBO's 'iron cage'.

However, how far rationalist and hierarchical traditions are actually being replaced by 'support, consultation and inspiration' (Vie, 2010: 183) has been hotly debated (Tengblad, 2012). There are those who see fundamental change in organisations and management towards post-bureaucracy (Heckscher and Donnellon, 1994; Kanter, 1989), but an even larger body of academic work has been devoted to challenging claims of bureaucracy's demise (e.g. Clegg, et al., 2011). Here, arguments point to its persistence, dominance and even intensification in different forms. For example, Hales argues that organisations have long been subject to minor changes or 'organic' variations, but still fundamentally retain 'hierarchical forms of control, centrally-imposed rules and individual managerial responsibility and accountability' (2002: 52). Likewise, McSweeney (2006) identifies an *intensification* of bureaucracy – for example, through the spread of measurement in the public sector. In setting out these three positions in the debate (change away

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from bureaucracy, no change and its intensification), we should also note that there is a long-established recognition of the limits in the extent to which bureaucracy or formal rationality was actually practised in the first place (e.g. Mintzberg, 1973; see also Chapter 4).

Nevertheless, over time, a general recognition has emerged in the literature, even among the most sceptical accounts, that while post-bureaucracy was barely evident beyond the hype, some change in organisations has indeed occurred (Harris, et al., 2011), resulting in hybrid forms of bureaucracy (Tengblad, 2006). The labels attached to these vary hugely according to analytical focus such that bureaucracy has become *soft* (Courpasson, 2000), *lite* (Hales, 2002), *selective* (Alvesson and Thompson, 2005), *accessorised* (Buchanan and Fitzgerald, 2011) and *customer oriented* (Korczynski, 2001). Following an emerging convention, and to avoid any implication that such changes necessarily reflect a *reduction* in bureaucracy, in this book we use the term *neo-bureaucracy*. As Clegg observes, ‘whilst there can be little doubt that real and significant change is underway . . . what has emerged is not the “end” of bureaucracy, but a more complex and differentiated set of post-bureaucratic or neo-bureaucratic possibilities’ (2012: 69). Likewise, Farrell and Morris identify neo-bureaucracy as combining market and bureaucracy, centralised and decentralised control or ‘new and more distributed modes of organisation juxtaposed with bureaucratic modes of co-ordination and control’ (2013: 1389).

‘Neo-bureaucracy’ therefore implies the persistence of some features of bureaucracy, including various applications of rationality and hierarchical control, but also acknowledges changes and differences, resulting in organisational forms and practices which may include some features of what has come under the label of ‘post-bureaucracy’ (Alvesson and Thompson, 2005). Of course, hybrid organisational forms in which bureaucratic features are combined with others are not new (Adler and Borys, 1996; Ashcraft, 2001; Blau, 1955; Mintzberg, 1980). Indeed, accounts of changing organisations vary in terms of emphasis and comprise different features. For example, Hales (2002) stresses networks and leadership alongside hierarchical control and

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accountability, while others focus on careers (Farrell and Morris, 2013), project management (Clegg and Courpasson, 2004) or changing ethics (Clegg, et al., 2011). Similarly, hybridity can be evident in the coexistence of separate bureaucratic and post-bureaucratic structures in different parts of the same organisation (Bolin and Härenstam, 2008; cf. Lawrence and Lorsch, 1967). Nevertheless, these studies can be drawn together by way of a summary of the common features of the neo-bureaucratic organisation (NBO):

1. Relatively few hierarchical levels (decentralisation) combined with centralisation of control (e.g. through information technology and knowledge management) (Reed, 2011); the traditional hierarchical career becomes more lateral and insecure (Morris, et al., 2008).
2. Non-hierarchical *styles* of interaction (Diefenbach and Sillince, 2011), with control achieved through markets, self-discipline (enterprise culture) and/or peers as well as traditional hierarchy (Reed, 2011; Styhre, 2008).
3. The use of project planning and cross-functional integrative teams, which might result in parallel and temporary hierarchical structures (Clegg and Courpasson, 2004; Hodgson, 2002). Some fragmentation of organisations and relationships (e.g. through outsourcing, external networks and diffuse occupational boundaries), but not their dissolution (Alvesson and Thompson, 2005; Poole, et al., 2003).

This list is useful, not least because detailed and comprehensive accounts of neo-bureaucracy are rare despite the growing use of the term. Probably the most developed classification is by Reed (2011). However, his focus is not the same as ours and is quite specific – control logics, foci and modes. For example, he points to a combination of self- and peer surveillance of team performance, to how labour market competition disciplines workers and to employee participation through ‘delegated autonomy’. Thus, the core hybrid features or combinations within neo-bureaucracy such as hierarchy–market and centralisation–decentralisation or, as Reed puts it, the bureaucratic ‘cage’ and the post-bureaucratic ‘gaze’ are evident, but not the breadth of organisational

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Table 1.1 *Organisational ideal types*

| Rational<br>bureaucratic<br>organisation<br>(RBO) | Post-bureaucratic<br>organisation (PBO) | Neo-bureaucratic<br>organisation<br>(NBO)         | Example  |
|---|---|---|--|
| Specialisation                                    | Collaboration                           | <i>Functional<br/>integration</i>                 | Multi-functional<br>projects                                   |
| Standardisation                                   | Flexibility                             | <i>Managed<br/>improvisation</i>                  | Change<br>programmes<br>and adapting<br>methods                |
| Formalisation                                     | Negotiation                             | <i>Structured<br/>organisational<br/>politics</i> | Relationship,<br>client and<br>change<br>management<br>methods |
| Centralisation                                    | Dispersal<br>(decentralisation)         | <i>Delegated<br/>autonomy</i>                     | Quasi-market<br>structures,<br>leaderism                       |
| Depersonalisation                                 | Personalisation                         | <i>Networked<br/>'meritocracy'</i>                | Added value and<br>personal<br>credibility                     |
| Collectivisation                                  | Individualisation                       | <i>Dual identities</i>                            | Conditional<br>commitment,<br>professionals as<br>managers     |

characteristics such as those outlined above. This is unsurprising given his different focus; nevertheless, neo-bureaucracy as an organisational form is not compared with his basic RBO and PBO ideal types. What then might an ideal type of the NBO look like? In other words, based on the literature to date, how are bureaucratic and post-bureaucratic ideals combined in a hybrid form (see Table 1.1)?

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First, both specialisation and collaboration can coexist by not completely breaking down functional or occupational divisions but by bringing specialisms together through multi-functional project teams – for example, *functional integration* (Table 1.1, Row 1). Indeed project management is a central theme of hybridised working more generally, with its focus on measurement, change and local accountability (Clegg and Courpasson, 2004). This is also reflected in the combination of standardisation with flexibility and change (Row 2), where change (emblematic of the PBO) is managed in a structured way by not only using but also adapting formal or bureaucratic tools – what we have termed *managed improvisation*. Likewise, informal negotiation and political relations with others can be achieved through formal structures or practices such as relationship and change management techniques and internal markets – a form of *structured organisational politics* (Row 3). Market structures within organisations, where colleagues become clients or internal customers, for example, also form part of the discipline sought partly outside traditional hierarchical control – *delegated autonomy*. This is also evident in the emphasis placed on the leader at the expense of the manager (O'Reilly and Reed, 2011) and, as noted already, can be achieved through distributed technologies such as knowledge management systems (Grant, et al., 2006) (Row 4). A hybrid form of depersonalisation and personalisation (Row 5) has not received the same attention as other aspects of the NBO. However, we will see how a form of this is evident in the practice of consultant managers having to demonstrate how they *objectively* 'add value' to the organisation, but in a way which relies on established networks of long-standing personal relationships and credibility – what we have termed *networked meritocracy*. Finally, between the collective identification of 'organisation man' and individualisation (Row 6) lies the prospect of *dual (or multiple) identities* such as that of the 'professionals as managers' (e.g. doctor-managers) in many public sector hybrids (Farrell and Morris, 2003), where *organisational* commitment may be partial, conditional or transitory.



Our ideal type of the NBO is then clearly linked to the established models of the RBO and PBO, and this adds to its analytical value. It is also grounded in research on contemporary organisational forms and provides a useful reference point in subsequent chapters. However, its neatness and relative simplicity means that some issues or complexities are hidden from view. For example, we have already highlighted how the importance of organisational change is insufficiently reflected in Reed's (2011) model of PBO. Likewise, the critiques of bureaucracy which helped inform changes in organisation and management practice extend into other areas. For example, Boltanski and Chiapello (2005a; see also du Gay, 2000) cite the perceived problems of bureaucratic management as being static, hierarchical, internally focused, tactical, 'excessively technical', limiting of autonomy and authenticity, open ended (ongoing) and lacking in commerciality or market discipline. Most of these are covered in our ideal type, but not all. In particular, we might add a greater external and strategic focus to the PBO as well as the need to lose an 'open-ended approach' and introduce some form of periodic 'closure'. This might translate into elements of a hybrid NBO form which combines internal and external orientations, short-term projects and long-term development, and attention to both strategic and tactical or operational concerns. Reed, for example, talks of 'a deft combination of remote strategic leadership and detailed operational management' (2011: 243). Similarly, post-bureaucratic conceptualisations of more fluid and varied portfolio careers contrast with the linear and organisationally based career trajectories of the RBO (Wacjman and Martin, 2001). In an ideal type of NBO, this suggests a more careful sifting of employee potential and attempts to retain those employees deemed as 'talent' within internal career patterns, while others are encouraged to pursue other opportunities (e.g. through 'up or out' and 'rank and yank' performance management systems or outsourcing; Reed, 2011). Such a feature of NBO might be termed *marketised careers*.

Thus, we might add these extra features to our model (Table 1.2), although there will always be scope for further development. Indeed, it is important to note briefly some of the uses and limitations of ideal

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## IO MANAGEMENT AS CONSULTANCY

Table 1.2 *Neo-bureaucracy amended*


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 Neo-bureaucratic organisation (NBO)
 

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Functional integration

Managed improvisation

Structured organisational politics

Delegated autonomy

Networked 'meritocracy'

Dual identities

Strategic/operational and long-/short-term foci

Internal and external orientation

Marketised careers
 

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types more generally. Their value lies, in particular, in their use as an abstract, theoretical tool for comparison. While there is a risk of underplaying connections between types and complexities of form and process (e.g. how characteristics emerge), probably the greatest danger is one of misuse. In particular, ideal types are not designed to reflect reality. Rather they are useful for simplifying, synthesising and accentuating (Hekman, 1983; Höpfl, 2006). For example, in our case, empirical research shows how organisational forms such as post- and neo-bureaucracy are likely to vary significantly in practice, by sector or nation for example, and not match any ideal type (Bolin and Härenstam, 2008; Johnson, et al., 2009). However, our concern is not with *organisational* forms *per se* but with what neo-bureaucratic organisation means for *management* practices and outcomes. Before developing a framework of neo-bureaucratic management and of the relationship between management and consultancy in the next chapter, we conclude with a brief overview of the book as a whole.

## AIMS AND STRUCTURE OF THE BOOK

As we have outlined, the aim of this book is to explore *management as consultancy* as a form of contemporary, neo-bureaucratic management