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PROFESSIONAL PRODUCTIVIZATION: NEW CONCEPT DEVELOPMENT AS A PROFESSIONAL ART

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ABSTRACT

This paper aims to further insight into the process of knowledge productivization within management consultancies. Consultants are often presented as main suppliers and commodifiers of management knowledge. However we argue that current accounts lack a view on the way new knowledge products are developed within consulting firms. By drawing on product innovation literature, this paper shows that the process of ‘new concept development’ is not simply a matter of constructing a marketable consulting product. Rather, efforts to establish a concept within a consultancy are often accompanied by considerable struggles and unavoidably require various professional skills.

INTRODUCTION

Consultancies are regarded as important knowledge suppliers involved in ‘productivizing’ management knowledge into a packaged and commercially valuable commodity (Huczynski, 1993; Benders, van den Berg & van Bijsterveld, 1998). Management scholars consider knowledge productivization as a key element in the growing supply of new organizational concepts and the expansion of management knowledge (Fincham, 1995; Abrahamson, 1996; Clark, 2001; Suddaby & Greenwood, 2001; Sahlin-Andersson & Engwall, 2002). Productivization is here referred to as the process of translating management ideas in a particular form that is sold on a market for management solutions. Given the short-lived character of such commodities (Gill & Whittle, 1993; McKenna, 1997), new product development is crucial for consultants to keep their services in tune with market demand.

While current literature leaves an impression of the supply side of management knowledge as uncontested field, only concerned with continuously turning new ideas into commercially viable commodities, theorists of product innovation have persistently portrayed new product development as an inherently problematic process within organizations. Therefore this paper starts from the viewpoint that knowledge productivization is not particularly a straightforward effort within knowledge suppliers. Although theorists stress that relevant activities occur long before a commodity is introduced on the market (Rogers, 1995; Clark, 2001), current literature hardly address the way new products are developed within management consultancies, thereby neglecting the organizational struggles that unavoidably accompany this process. The lack of a substantive component (Starbuck, 1992; Alvesson, 1993; Benders & van
Veen, 2001; Alvesson, 2001) likely has consequences for how this development process takes shape.

To further understanding about this supply side of the management knowledge market, we focus in this paper on consultancies’ internal struggles with what we refer to as ‘new concept development’ and present the establishment of new concepts within these firms as a contested enterprise. This allows us to distinguish important organizational problems within consultancies related to knowledge productivization. As a consequence, the consultancy skills required to widely propagate new organization concepts in the management knowledge market are probably as least as necessary to establish a new concept within a consultancy.

A SUPPLY OF MANAGEMENT SOLUTIONS

Consultants are regarded as main producers and propagators of knowledge commodities on the management knowledge market (Huczynski, 1993; Benders, van den Berg & van Bijsterveld, 1998; Suddaby & Greenwood, 2001; Clark & Fincham, 2002; Faust, 2002; Kieser, 2002). Like any organization involved with renewing their products and services, consultancies have to invest in a process of new concept development in which management ideas are turned into a repertoire that will support the commercialization and implementation of new organization concepts (Heusinkveld & Benders, 2002). Providing a useful consultancy service is more than merely referring to a best-selling management book. In addition, maintaining a concept that is suffering form a lack of interest in the knowledge market will likely be detrimental for a knowledge supplier. Therefore there is a need for consultancies to constantly develop new products to keep their portfolio in tune with market demand.

However, while the consultancy literature mainly stresses the external struggles to promote their commodities, there is still little attention for the internal ‘concept development’ processes. Although the pre-dissemination series of activities are an important part of the innovation development process (Rogers, 1995; Clark 2001), current literature mainly emphasizes the specific consultants’ strategies in marketing their commodities. The inherent ambiguity of their ‘knowledge products’ and the difficulties in evaluating the quality of their services create an important base of uncertainty to clients. In addition, consumers may be highly susceptible to new ideas, but remain critical whether it serves their own interests (Nelson, 1975; Guillén, 1994; Watson, 1994; Brunsson & Olsen, 1997; Wright, 2002), thereby creating a politically loaded atmosphere within which a concept generally is received (Pettigrew, 1975).

Given the specific difficulties of enhancing demand for consultancy services, theorists particularly emphasize the importance of managing client relationships (Sturdy, 1997; Fincham, 1999, Glückler & Armbrüster, 2003) and convincing knowledge consumers of the value of one’s skills (Clark, 1995). In addition, Pettigrew (1975) argued that consultants should make use of the politically loaded environment in client organizations to promote their interventions. Therefore the consultancy process is not only seen as a matter of expert knowledge but is indissolubly linked with games of representation (Alvesson, 1993; Bloomfield & Danieli, 1995). This means that consultancy services cannot be separated from managing impressions (Pettigrew, 1975; Clark, 1995) aimed at persuading clients of the value of their prescriptions.
A SOURCE OF MANAGEMENT PROBLEMS

In the previous sections we concluded that current literature on knowledge productivization mainly focuses on the external struggles of knowledge suppliers to market their ‘products’ while leaving an impression of the internal ‘new concept development’ process as linear and unproblematic. As we will discuss in this section, theorists of product innovation have persistently emphasized that the development of novelty within organizations is unavoidably a source of problems. Developing commercially successful innovations is not restricted to simply constructing a new idea into a product, but particularly involves managing the establishment of a new product within the organization (van de Ven, 1986; Tidd, Bessant & Pavitt, 1997; Cooper, 1983; Clark & Fujimoto, 1991; Twiss, 1992). This involves issues such as generating company-wide attention to new ideas and building an effective project organization. However, the establishment of new ideas in organizations is often highly contested and generally encounters substantial resistance (Burns & Stalker, 1961; Dougherty & Hardy, 1996; Jones & Stevens, 1999).

Innovation theorists explain the difficulties and ambiguities associated with new product development from the conflicting claims inherent in performing these activities. New product development literature shows that conflicting interest and priorities in organizations particularly become apparent in reconciling innovative activities with a routine organization (Vermeulen, 2001). Organizations designed to maintain existing practices are often unable to accommodate innovative activities and systematically show notable difficulties in dealing with the uncertainties and changes associated with developing new ideas. As Burns & Stalker noted, the strength of the political system and present status structure continuously tend to confirm the status quo within an organization (1961: 126). Such elements cause important barriers, thereby obstructing the realization of new ideas. The problematic nature of innovation has urged researchers to define the process of new product development in terms of ‘tensions’ (Jelinek & Schoonhoven, 1990; Dougherty, 1996). This points out that innovation in organizations unavoidably involves dealing with conflicting forces. These tensions inherent in innovative activities cannot be resolved but only be minimized by drawing on various organizational skills (Lewis et al, 2002). For instance Chakrabarti argues that it is essential for a product champion to have political skills (1974: 61) to overcome resistance and limit controversies during a new idea’s realization.

CONSULTANCIES AND PRODUCTIVIZATION

As argued in the previous section, product innovation literature indicates that new product development provides a fertile breeding ground for organizational dissentions and struggles. We believe that such a view on new product development has notable implications for regarding the process of knowledge productivization. Instead of a series of distinct logical phases, our premise is to view productivization as a fundamentally contested enterprise. The ambiguity characterizing consultant’s ideational ‘products’ (Starbuck, 1992; Alvesson, 1993; Benders & van Veen, 2001) will likely be reflected in the specific shape of the process of new concept development and the struggles associated with it. The lack of a substantive component unavoidably brings specific complications to simply applying any new product development model to consultancies. This would imply that productivization is not only about the construction of a consultancy repertoire but particularly involves drawing on persuasive skills to establish a
new concept within a consultancy. As Alvesson argues ‘The ambiguities involved in work and results mean that internally as well as externally great efforts must be made in order to emphasize (...) that experts should be relied upon’ (1993: 1011, emphasis added).

In the remainder of this paper we empirically explore the way the establishment of new concepts takes shape within consultancies. In our analysis we draw on relevant product innovation literature that is supplemented by interview data that emanated from our study in which we traced the development of new organization concepts within twenty-four different consultancies. The consultant informants were closely involved with a case of new concept development in their firm and were asked to describe their experiences during the entire process. In the analysis we followed an inductive approach in which we compared relevant innovation theory and interview data (Glaser & Strauss, 1967; Wester, 1995). We particularly focused on the organizational struggles during the development process as experienced by the consultants and categorized these struggles in the light of relevant innovation literature. Constant comparison between data and theory (Glaser & Strauss, 1967; Wester, 1995) resulted in further densification of different clusters of struggles related to new concept development in consultancies.

On the basis of the analysis, our key proposition is that the development of new organization concepts within consultancies constitutes a contested process, shaped by the actions of relevant social groups that principally follow their own interests. In this the paper stresses the interactive nature of the internal development process that pioneering innovators have to ‘orchestrate’ (Alvesson, 2001: 874).

In the next section we illustrate the view of new concept development as a contested enterprise in a consultancy by discussing three typical issues in which conflicting interests about the establishment of new ideas are resolved. We herewith seek to gain additional insight into the specific organizational problems during knowledge productivization. First, we distinguish a process of recognition in which a new idea has to obtain a legitimate place within a consultancy. Secondly, we indicate how the ownership of a new concept is defined within a consultancy. Thirdly, we focus on the distribution of the repertoire among colleague consultants that are also able to sell and apply it. We conclude that each of these issues requires important consultancy skills that shape the establishment of a new management idea within a consultancy.

**FINDINGS**

**Recognition**

Innovation is generally characterized as an inherently risky activity. As a result, theorists stress the importance of formal project selection and evaluation systems (Twiss, 1992; Dougherty, 1992) to filter the most promising new ideas, worth committing resources to. However, these systems often show important deficiencies in practice (Cooper, 1986). As a result, the difficulties in acquiring resources and legitimacy remain an important obstacle for innovative ideas to become appreciated in organizations (Dougherty & Hardy, 1996). This means that pioneers have to trigger people to pay attention to new ideas and persuade organizational members of their advantage over current practices (van de Ven, 1986). Gaining support for new ideas involves making a favorable impression and conveying the perception that a new idea can be translated in a commercially successful product (Brunsson, 1982; Prasad & Ennew, 1995). So
within a consultancy gaining recognition represents an important passage point for new ideas. This is related to the ability of pioneering consultants to counter resistance and seduce colleagues to support an innovation. This constitutes an important determinant in the way a concept is able to enter a consultancy and gains justification. Commercial and implementation successes likely increase the internal support for a new concept, but gaining recognition is also linked with substantial internal promotional efforts and ‘impression management’ within a consultancy.

Ownership

Innovation theorists widely recognize the significance of ‘innovation champions’ in organizing product development effort (Chakrabarti, 1974; Twiss, 1992; Stjernberg & Philips, 1993; Rogers, 1995; Tidd, Bessant & Pavitt, 1997). Clark & Fujimoto (1991) emphasize that an innovative idea requires a ‘heavyweight product manager’ that feels responsible for its realization and has the formal and informal power to lead this idea through the organization, thereby avoiding obstructing rules and procedures. This implicitly implies allocating the ownership of a project to an individual person or team leader, an issue that likely constitutes a base for significant struggles. As Prasad & Rubenstein (1994) argue, when an innovation project is regarded as important or profitable, many members want to be associated with it or control its destiny. However, the lack of a material component both enables and complicates defining the ownership of a new concept within a consultancy (Fincham, 1995; Morris, 2001). This could mean that concept development efforts are dispersed across a consultancy and may easily compete with each other. The allocation of new concept’s leadership within consultancy relates to ability of consultants to compete for ownership. Obtaining a new concept’s ownership enables consultants to internally monopolize its development and exploitation. This means that within a consultancy, various individuals or groups easily contest the privilege to develop and exploit a new concept in various ways.

Transfer

Innovation theorists point to the fundamental tensions between R&D and Production activities. (Lorsch & Lawrence, 1965; Clark & Fujimoto, 1991; Tidd, Bessant & Pavitt, 1997). Typically these activities are allocated to different, specialized units that are spatially separated and are characterized by incongruent orientations and structures. As a result, the transfer of new products to manufacturing requires coordination and widespread involvement of development and production staff. Within consultancies, new concepts are not automatically used at the ‘production’ site. The internal dissemination of new concepts from ‘development’ to consultancy practice can be regarded a problematic enterprise which is easily obstructed. Characteristic for consultancy services is that the ‘production’ occurs in the interaction process with clients (Clark, 1995). So a new concept has to be introduced in such a way that consultants within a firm are willing and able to make use of the underlying repertoire in their daily practice at clients. However, the codification of knowledge does not mean that consultants are able and willing to apply it during their assignments. Also in spite of commercial successes, dissemination efforts do not necessarily result in a wider usage of a repertoire within a consultancy. Rather, consultants have to be persuaded to draw on a concept’s repertoire by the development of a standardized language and an involvement in the development process.
CONCLUSION

In this paper we have explored the process of knowledge productivization by analyzing new concept development in consultancies. Consultancies are generally regarded as important suppliers of management knowledge, and given the transient character of many commodities (Gill & Whittle, 1993; Abrahamson, 1996), developing new concepts is crucial to maintain demand for their services. Long-standing debates in product innovation literature have presented the development of new products in organizations as a highly problematic activity. This paper showed that these insights have some notable implications for regarding knowledge productivization and particularly new concept development in consultancies.

First, unlike current conceptualizations, which largely portray knowledge productivization as unproblematic effort, we argued that developing management knowledge into a saleable product constitutes an inherently contested enterprise within knowledge suppliers. By drawing on product innovation literature and interview data we were able to provide an alternative analysis on the process of productivization. We illustrated this argument elaborating important struggles encountered during this process thereby showing the importance of various skills to establish a new concept within a consultancy.

Secondly, previous studies on consultancies hardly paid attention to the pre-dissemination series of activities within these knowledge suppliers. Rather, consultancies are mainly presented as systems of persuasion that continuously seek to impress and convince clients of the value of their prescriptions. However, solely regarding consultants as marketers of knowledge commodities may easily hamper attention to relevant activities that occur during new concept development within these firms. While the marketing of new commodities is irrefutably a key aspect in management knowledge production, this paper showed that it is but one phase in this process (see also Rogers, 1995). As a result, this paper can be seen in the light of an emerging literature studying ‘back-stage processes’ (Furusten, 1999; Clark, 2004) that concentrates on understanding how knowledge suppliers seek to develop commercially viable ideas.

Finally, although we used product innovation literature as a starting point to understand the development of new concepts within consultancies, this study also revealed some of its limitations. This paper indicates that new concept development is not solely a matter of constructing a coherent ‘product’. Rather, a more fundamental problem lies in making a new concept to become established in a consultancy. Specifically, the knowledge-intensive character of consultancies and their ideational ‘products’ (Alvesson, 1993) implies that the establishment of new concepts within consultancies particularly entails drawing on political and persuasive skills not only to achieving admission of a new idea, but also in claiming its ownership and in its internal dissemination. Perhaps the struggles surrounding the internal establishment of new concepts offer a perfect learning school for playing ‘outside’ politics (Pettigrew, 1975).

REFERENCES AVAILABLE FROM THE AUTHORS