Coping with chaos and contextuality

- Strategy consultants and the illusion of agency -

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Introduction
A recent article in Elsevier, a Dutch magazine, says that managers involved in strategy making overestimate their possibilities to steer organisations (Crooijmans, 1998). In other terms, managers overestimate their agency, or their ability to make a difference (Giddens, 1984) in an organisation by making and implementing strategies. Then what should strategy consultants do if they are hired to assist managers in the process of strategy making? Should they reinforce their client’s self-image, because a manager has to manage, and therefore has to believe unconditionally in the effects of his action? Or should he plead for modesty, but still assist managers in their attempts to make strategies and steer their organisations? It goes deeper than that. Consultants face a basic dilemma. On the one hand they should support the managers who hire them in their endeavours, but on the other hand they are confronted time and again with the limited controllability of organisations, the complexity of strategic change processes and the uncertain and ambiguous effects of the action of both managers and consultants. In this dilemma, a consultant can go two different ways, a modernist way and a non-modernist way. He can – as a modernist – try to reduce complexity for his client to enhance the (illusion of) control over his organisation, or he can accept and embrace complexity and ambiguity of strategic change processes, cope with it and use it in his consultancy practice. This paper focuses on strategy consultants who have chosen for this second route: how do they work, how do they create added value for their clients (Delaney, 1995) and what professional identities have they created? Based on in-depth interviews with management consultants and a study of literature it is possible to distinguish three types of strategy consultants in this second route. This typology may help consultants to develop their methods and to articulate their professional identities. It also contributes to the understanding of some of the opportunities for and the variety in non-modern strategy consulting.

The illusion of agency
Managers often think highly of their own agency. Especially when things go well, they are inclined to think that they made the difference, while when things go wrong they blame external factors like economic depressions, stubborn employees or just bad luck (Miller & Ross, 1975; Brown & Jones, 1998). The view of managers as primary agents, steering the course of history of an organisation, is reinforced and cherished by business press journalists (Chen & Meindl, 1991), management gurus (Clark & Salaman, 1998)
and academics involved in developing traditional strategic management discourse (Knights & Morgan, 1991, 1995). They attribute to managers the capacity to change organisations, and sometimes the world around as well, by purposeful action.

The standard modernist view of the strategic manager as an agent is as follows. Based on an analysis of the opportunities and threats in the market and the strengths and weaknesses of their organisation (Mintzberg, 1990), combined with their experience-based intuition (Simon, 1989), managers create a vision and a hierarchy of strategic plans. In the vision is stated what is good for the organisation to do, often in terms of markets to serve, products to make, growth to realise and resources to employ. Once this vision is established, it gets the status of a local ‘grand narrative’ (Lyotard, 1984). It states what makes sense and what does not, it defines success and failure and what is to be regarded as progress or as decline. Directed by this vision, managers make all kinds of plans, often ordered hierarchically, to align the organisation with the new vision. Once the plans are established the manager directs the implementation of the plan in the organisation, thus realising his vision. Managers make a difference by creating a vision, making plans and implementing them (see for instance Tushman & O'Reilly, 1997). Strategy consultants can make a difference, in the modernist view, if they can contribute to this process. They may conduct SWOT-analyses, perform benchmarking studies, design elaborated plans and help to prevent and overcome possible resistance in the organisation in order to smooth the implementation. Based on their strategic skills and expertise they can take over part of the strategy making process, assisting the management to lead the organisation to success and thus showing their agency.

However, it is an illusion to think that this kind of agency is conclusive to lead and to change organisations. The effects of purposeful action are uncertain and mostly limited, and the sense it makes depends heavily on the stance of the one who judges it. The relation between visions and effectuated changes in an organisation is ambiguous, as is the role of top-managers and strategy consultants in the process. The complexity and uncontrollability of social processes, the contextuality of sense-making and the narrative character of attributing agency make the modernist view of the strategy process and strategy consultancy appear as illusory.

In order to elaborate this point more generally, I go back to the Battle of Borodino, as described by Tolstoy in his masterpiece War and Peace (Tolstoy, 1966; see also Harré, 1975 and Latour, 1988). On 26 August 1812, a battle was fought by a Napoleontic and a Russian army, near the Russian village of Borodino. On and around the battlefield is a tangle of action. Soldiers act in response to the concrete events that happen to them. Neither the causes, nor the effects of these events are known to them. They cannot see the contours of the battlefield, they do not know the strategies of their generals and they have no idea whether they are winning or losing the battle. In the course of the battle it becomes clear that the actions of some small groups of soldiers are decisive, while big charges are without any clear result. The commanders present, Napoleon and the Russian field marshal Kutuzow, have no overview over the battlefield and they are constantly badgered by contradictory messages and outdated plans of their general staffs. The messengers they send out with orders for their men rarely arrive at the right spot, and if
they do, their message is misinterpreted or ignored. Tolstoy describes the battle as a muddled ball of fighting people, which the both commanders can barely influence. The battle evolves unstructured, unpredictable and uncontrollable, and the influence of individuals with strategic and tactical plans is very small. The battle has a chaotic character.

Social processes, on battlefields as well as in organisations, consist of a stream of events without an a priori structure. People try to capture the contingency and complexity of events in stories (Harré, 1975; MacIntyre, 1980; Cilliers, 1998). In a story, an unstructured stream of event gets a beginning and an end, and certain persons and actions are singled out (Czarniawska-Joerges, 1995; Boje, 1995). Separate actions are made visible and receive meaning in the light of a plot. Causes are attributed to circumstances and people with intentions. In a story is told whether something has changed, what has changed, who has made a difference and why. From the muddled ball of events and actions, some threads are pulled and woven into a meaningful whole.

The story of a certain process does not automatically and necessarily follow from the ‘logic of the events’. It is the accomplishment of a storyteller, in actual or virtual interaction with his audience. “Even though stories are the inevitable results of action, it is not the actor, but the storyteller, who perceives and ‘makes’ the story” (Arendt, 1958, p.192). People do not get a role in a story because their actions have an objectively determinable impact on important events, but because a storyteller thinks he should attribute agency to them. Storytellers pick certain actors from the stream of events and make them agents. And they can do this in very different ways, also when it concerns the same stream of events. Who creates progress in one story may be working towards decline in another and who is leading in one story may be insignificant in another. In principle, many stories are possible and no story can be preferred over the others by referring to ‘the facts’.

Although a story is not more true than other stories, it can be more convincing (Latour, 1988). Storytellers are to a certain extent bound to the rules of a discourse when they want to tell their stories acceptably and convincingly. Attributing agency to only a few purposeful acting individuals is one of the central rules in modernist discourses. As the mainstream of 19th century historians told their audience that Napoleon and Kutuzow won battles with their ingenious strategies (Runia, 1995), business press journalists, management gurus, top-managers and academics tell us that successful organisational changes are achieved through the brilliant strategies of talented managers, the Napoleons of our time. Formulated strategies and statements of CEOs are highlighted as the sources of success. It is the art of the storyteller to reconstruct the ‘actual’ strategy, in hindsight, from the changes that have taken place. Often, there are so many documents and statements, which can be interpreted in so many ways, that it is almost always possible to reconstruct a suitable strategy, especially when the makers of strategic plans have anticipated an a posteriori reconstruction.

Managers may have different reasons to reinforce the modernist strategic discourse and to maintain the illusion of agency. It helps them to justify their position to shareholders, and
to mobilise financial and other resources for their plans. It fulfils the expectations of employees, external stakeholders and the public, gives them recognition, and strengthens their self-confidence and self-esteem (Knights & Morgan, 1991; Clark & Salaman, 1998; Deuten & Rip, forthcoming). Strategy consultants may also have reasons to maintain the illusion of agency. It helps them to show their added value, since they can make a clear contribution to the strategy formulation, plan making or strategy implementation. A related reason is that there simply is money in making strategies this way. But once a manager or a consultant has acknowledged the chaotic character and uncontrollability of change processes, the discourse dependent attribution of agency, and the limited and ambiguous effects of the process of making strategies, they have to find a way to cope with the illusion of agency, even if they want to maintain it for the outside world.

Furthermore, those strategy consultants cannot view a strategy as a ‘grand narrative’ anymore, the rationally established and indisputable basis for all justifiable plans. Strategies are narrative constructions and therefore their definitions of progress and decline, of what should and what should not, and of what makes sense and what does not, are contingent, bound to the specific context in which the strategy has been created. This problematises the implementation of strategy. People with different opinions cannot simply be regarded as obstacles to progress anymore. They view the process from a different context, which may be justifiable as well. Implementing strategy may involve the harming and suppression of other people, while the justification for doing so is inevitably build on quicksand.

To summarise the preceding we formulate three characteristics of the process of strategy making and implementation that are especially relevant for strategy consulting, viz. ‘chaos’, ‘attribution’ and ‘contextuality’. Chaos means that strategic changes evolve without an a priori structure and that the outcomes are established in the complex course of the process. Attribution means that the relation between effects and the actions of individuals is not a direct, causal one, but that this relation is created in stories where effects are attributed to the actions of certain persons. Contextuality means that the sense and the value of an action is always bound to a certain context and can be valued differently from different points of view. These characteristics show that agency is to a certain extent illusory, but also how an illusion of agency can occur. Agency is created in stories; it is not an ‘ability to make a difference’ that a consultant may or may not possess. Depending on how a consultant copes with these characteristics in concrete situations, different professional identities develop.

A typology of consultants

If chaos, attribution and contextuality are acknowledged as important, and not only, as modernists do, as something to be fought and reduced, there are still several possible positions. If contextuality is taken as a starting point, three positions are possible: a postmodern position (everything is only context-dependent so anything goes (see Cooper & Burrell, 1988; Parker, 1992; Alvesson, 1995)), an enlightened modern position (in certain cases contextuality can be bracketed and it is then possible to work as a modernist), and an ironic position (most things are context-dependent so work with
contextualised stories and local certainties (see Rorty, 1989)). Taking one of these positions has also consequences for the ways in which consultants cope with chaos and attribution. In practice, consultant tend to develop a coherent and consistent way of coping with the illusion of agency. The postmodern position encompasses that a consultant never takes a normative position towards his client, cherishes the plurality of stories and views, and refrains from attempts to effectuate any changes by purposeful action. An enlightened modern position means that a consultant accepts the illusion of agency, but looks for situations where he can set it aside. So he takes normative positions, based on expertise an rational analysis, acts intentionally to change organisations and claims the credits for successes, but he admits that it is not possible in all situations. An ironic position stands between the postmodern and the enlightened modern position. Irony means that a consultant puts agency into perspective, but does not hide behind the relativisation and is willing to try to realise changes. He shows what he wants to achieve and what he stands for, but he remains sensitive to alternative standpoints and stories and willing to be challenged in his temporary and local certainties.

This typology of consultants is elaborated in an empirical study. We chose for this study to conduct a series of in-depth interviews with consultants, and not for a survey-like approach, because we were interested in the ways of working and coping of consultants as part of their professional identity, and not in the frequency of occurrence of the types. To acquire relevant data we interviewed seven senior strategy consultants, who had shown in publications or otherwise that they recognised the problems with chaos and contextuality. These consultants were particularly interesting because they are confronted in their day-to-day practice with the illusion of their own agency and the agency of their clients, and have found ways to cope with it. In the interviews, the consultants were not directly asked to state their way of coping with the aspect of the illusion of agency and their professional identity, because that would risk that they would construct identities that are very different from their professional identities in practice (Carspecken & Cordeiro, 1995). We started with questions about their normal practice, asking them to tell typical stories about their way of working, through their own eyes and the eyes of clients and colleagues, since identities are constructed in and through concrete stories by different storytellers about someone’s actions (Shotter & Gergen, 1989; Widdershoven, 1993). Then, focussing on the agency related dilemmas they would encounter, they were stimulated to reflect and to reconstruct their ways of coping. Below follow descriptions of the three types of consultants, illustrated with examples and (translated) quotations from the interviews.

**Enlightened modern consultants**

Enlightened modern consultants cope with chaos by lumping and splitting. This means that they distinguish between chaotic, uncontrollable situations, in which they do not work, and controllable situations, where chaos can be bracketed. In the latter, purposeful action is possible and results can be obtained. An enlightened modernist only engages himself with problem fields where he can define the problem and the criteria for success, where he has a lot of experience and well-elaborated methods. There he has a reasonable chance for success. A consultant said “I wouldn’t say to a client that our way is the only
way, but we have experience with it and we achieve good results with it, and if that appeals to him, we sell it.” In many cases, enlightened modern consultants have specialised in partial strategies, such as ICT strategies or manufacturing strategies, with a history in industrial engineering.

For enlightened modernists, it is of the utmost importance to be able to demonstrate that their actions have results, because their clients hired them for achieving results and will judge their added value on this. Therefore they try to obtain the role of expert in the stories of their clients and to receive the credits for (some of) the changes that take place in an organisation. A consultant remarked that it is therefore important that some results and small successes become visible in a short term. Otherwise the clients will probably forget the impact of the strategy consultant. Enlightened modernists reinforce the view of the strategy process as a rational design process, make a visible contribution to this process (preferably in the form of a written text with their name attached to it) and propagate stories about the process that acknowledge their agency.

Enlightened modernists take normative standpoints towards their clients. They tell them what is good for them, based on their experience, their rational analyses and their knowledge of the market, competitors and management literature. According to enlightened modernists, clients expect answers from them. Clients want certainty and the consultant thinks himself able to provide it. As one of the consultants said: “They know, because they tried to get things started for a while, that it is very difficult, that it will cost people their head and that careers are heavily dependent on the success of such a project. So what do they search: certainty. They talk with people, and the consultant or firm that gives them the idea that ‘they can solve our problem’, is hired.” An enlightened modern consultant helps to create a strategy with a clear notion of progress and success, which is not to be doubted within the organisation, gives sense to all kinds of plans and justifies the implementation. Giving clarity and certainty is of the utmost importance. A consultant said: “One might ask: how sure are we [the consultants] that we are on the right track? Well, we do not know for sure that we are on the right track. But we are sure of this: it is better to have a somewhat inferior plan than no plan at all. So you should make a plan, and you can think it over a hundred times, and there will always be better plans, but in the end it is about creating certainty, giving everyone a line of marching.”

Ironic consultants cope with chaos by using ‘guerrilla methods’. This means that they do not try to change organisations in a controlling manner, as enlightened modernists do, but by giving small stimuli, tackling local problems and removing bottlenecks. His work is not aimed at reaching a desired end-situation, but at escaping from an undesirable current situation. The consultant initiates changes and starts looking for solutions in constant interaction with his client, mixing processual and rational techniques (Kubr, 1986; Schein, 1987).

Ironic consultants have a more processual view of strategy than the enlightened modernists. A strategy is seen as a pattern strategy, emerging in a collaborative learning
process (Mintzberg & McHugh, 1985; Stacey, 1993; Mintzberg, 1996). Strategy design is a prototyping process, a constant conversation with the situation (Schön, 1983), an alternation of doing and learning. In the traditional sense, ironic consultants only design ‘grand strategies’, broad visions that are not likely to change in the short term. One of the interviewees phrased his relation to strategy design metaphorically: “I fly around ‘strategy design’ like a moth around a flame. I couldn’t do without it, because that would be the end of my profession, but I know that, if I come too close, my wings will burn.”

Ironic consultants are aware of the fact that agency can be attributed to people in different ways. Different stories are possible, but, nevertheless, an ironic consultant tries to make his own story, looking for causes of success and failure with himself and with the organisation. If he would not do that, he would not be able to learn from his experiences. And especially in cases of failure, this is important. Several interviewed consultants stressed that it is important to frame failure as a learning experience, because otherwise a consultant would entirely lose his self-confidence and the trust in his agency. Agency may be an illusion, but an ironic should cherish his illusions to keep the confidence to act (Deuten, 1994).

Ironic consultants have a different view of their impact than enlightened modernists. They think that their main impact is in initiating strategic change processes, not in reaching objectives and achieving good results. The latter would not be possible for an ironic because he does not know in advance where the change process will end. He helps to put things in motion and he monitors constantly whether an organisation is really changing. One of the consultants said about monitoring: “Because of all kinds of circumstances a consultant may fail to get an organisation changing, but it is hard to justify if he only finds out after a year and a bill of two hundred thousand guilders.”

Ironic consultants may take a normative position towards their clients and tell them how they should act. But they know and show the historical and paradigmatic context from which their standpoints originate. They base their normativity on local certainties, things they think to see clear in a certain place and time. But ironic consultants are aware of the fact that they can be wrong and that they may harm others in their values if they attach themselves too strongly to their positions. They are flexible enough to adjust their standpoints if reality overtakes them or if their client really disagrees with them. As an interviewed consultant remarked: “It may happen rather often that a consultant thinks ‘I know very well how those things go, so don’t nag, we should proceed in that direction’, but it is part of your flexibility as a consultant to realise that what will really happen in an organisation is not what the consultant wants, but want the organisation wants. That is always the case.” So ironic consultants are more flexible in their standpoints than enlightened modernists, but they do show them, in contrast with postmodern consultants, who totally refrain from taking a normative standpoint.

**Postmodern consultants**

Postmodern consultants cope with chaos by refraining from pursuing goals or initiating changes, thus avoiding the confrontation with chaos. Clients, who want changes in their
organisation, have to cope with chaos, not the postmodern consultant. The job of the
consultant is to mirror the customer in different ways, showing him the premises of his
problems and his solutions, and to open up opportunities that he had not seen himself. He
may act as a ‘reflector’, asking his client questions to stimulate him to reflect (Kubr,
1986). Or he may play the role of ‘provocateur’ or ‘wise fool’, who tries, by asking
‘naïve’ questions and by calling in question what is taken for granted, to challenge the
way of thinking of his client and to show him new perspectives (e.g. Smircich &
Stubbart, 1985; Saxton, 1995). Genealogical analysis of strategies on a local level may be
used as a technique to show clients their strategy in terms of its history (Knights &
Morgan, 1991) and thus its contextuality. A consultant may also use deconstruction
techniques, using for instance Derrida’s concept of differance, showing the suppressed
opposite that is always latently present in a strategy (Cooper, 1989). If a client stresses
the bright side of a strategy, he will show the dark side, if a client emphasises order, he
emphasises chaos, etc. As an interviewed consultant said: “I go in search of the things
which are hidden in the company and which he does not see.”

Postmodernists see that agency cannot be attributed unambiguously, and that impact or a
lack of impact, and success or failure, are totally dependent on whom you ask at what
moment. Therefore it is not possible to make any clear evaluation of a strategic change
process or a consultancy process. A postmodern consultant does not attempt to evaluate
the effects of his work. It is sufficient if he has a good feeling about his work, and if his
clients keep coming back to him. Apparently, clients think it pleasant or useful when a
postmodern consultant mirrors their problems or brings up new perspectives. According
to one of the interviewed consultants, his effect on clients is that they consider him
‘creative’. In this way postmodern consultants justify their way of working and their
‘raison d’être’.

Postmodern consultants do not take any normative position towards their clients and their
organisation. All standpoints are context-dependent, so anything goes. They help their
clients by reframing their problems and showing possible solutions, not by telling them
what to do. A consultant told: “As a consultant, you can be useful by helping someone to
get another perspective, or several other perspectives. And you don’t have to tell what the
correct perspective is, because there isn’t any. All perspectives are possible, but it is nice
to see that some perspectives give someone a bad feeling and other perspectives give him
a good feeling.” A good strategy, he would say, is a strategy that makes his client feel
good.

Concluding remarks
Enlightened modern consultants, ironic consultants and postmodern consultants get
assignments in strategy consulting and are apparently able to create added value for their
clients. They have different ways of working, think differently about the status of their
opinions and judgements and expect (and get) different credits in the strategy process.
Table 1 summarises their ways of coping with the aspects of the illusion of agency. This
typology makes explicit three aspects of the professional identity of consultants and their
coherence. A consultants develops his professional identity in interaction clients,
colleagues and situations, and this typology gives him three models that may help to reflect on these interactions to articulate and further develop his identity. It may also make him aware that a positional choice on one of the characteristics chaos, attribution, or contextuality, has consequences for his positions on the two other characteristics.

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<td>• Grand narrative</td>
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Table 1: Characteristics of the three types of consultants

During the interviews it became clear that individual consultants could often not be caught entirely in one of the categories. Metaphorically one could say: consultants may behave like chameleons, changing colour in changing contexts. In one context they may show themselves as enlightened modernist while in another context they appear as ironic. Among the interviewed consultants was an enlightened modernist, specialised in manufacturing strategies, who turned into an ironic when he started to engage himself in making more general corporate strategies. An other, postmodern consultant, who had no certainties in the organisations of his clients, ‘changed colour’ into an ironic when he started to talk about the consultancy profession. An internal consultant, operating as an ironic, told that he turns into an enlightened modernist when he has to justify his work to the CEO of the company. A change in the kind of strategy to be made, a change in subject, or a change in the ‘context of justification’ may make consultants ‘change colour’.

If ‘changing colour’ becomes a conscious strategy of a consultant, this could imply a fourth type: the chameleonic consultant. Such a consultant would need a broad repertoire of skills and stories and sufficient flexibility and reflexivity to change at the right moment. He also needs a Machiavellian readiness to ‘change colour’ in different situations. One may value this positively as a postmodernist who is willing to step from behind his mirror to aim for strategic changes. On the other hand, ‘changing colour’ may be a way to walk away from responsibilities. Suppose that a consultant starts as an enlightened modernist, with a rational method, a perspective of bright results and with a story to claim the credits for these results. But when things go wrong, he may change into an ironic: he only wanted to set the organisation in motion, and it is the client, not the consultant, who is responsible for the making and implementation of strategy. The other way around, a consultant could start as an ironic, but, when things work out well, try to claim the credits for the success. These things happen in strategy consulting. But the occurrence of chameleonic behaviour is not enough reason to add a fourth type to the typology. After all, coherence in professional identity and consistency in behaviour are used as criteria to construct the typology.
In line with the Elsevier article about managers, with which this paper started, one can say that strategy consultants should not overestimate their ability to influence the success of organisations. The consultants who were interviewed did not do so. They have accepted that the effects of their actions are mostly limited, uncertain and ambiguous, and that they may not take their agency for granted. Only the enlightened modernists can guarantee some success in certain contexts, and even then only if they can persuade their clients of their story of the process. But that does not mean that a consultant who is aware of the illusion of agency cannot create any added value for his client. On the contrary, only his added value shows in the strategy making process itself and not in its results.

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