Informalities and the Consultant's Value Contribution to the Client Organization

Adapting to the client's internal structures
as an external consultant

*Master's Thesis in the Master's Programme
Management and Economics of Innovation*

Johan Moisander
Måns Lundberg

Informalities and the Consultant's Value Contribution to the Client Organization

Adapting to the client's internal structures as an external consultant

JOHAN MOISANDER

MÅNS LUNDBERG

Informalities and the Consultant's Value Contribution to the Client Organization
Adapting to the client's internal structures as an external consultant

JOHAN MOISANDER

MÅNS LUNDBERG

Cover:
[Illustration of the complexity of the informal organization from page 2]

Abstract

When approaching the client organization as an external consultant informal factors are often causes of great ambiguity. Informal factors can in many ways affect the consultant's value contribution to the client organization (CVCCO), and this study aims to enable deeper understanding of the concept of informal factors and the efficient management of said factors.

Stepping off in established theory the researchers construct a theoretical framework based on the limited available research on informal factors from the consultant perspective, as well as general work on consultancy, organizational behavior and corporate political behavior. Interviewing thirteen management consultants, from six different firms and with different levels of experience, a set of empirical data was gathered. Through iterative data processing, patterns were found, and then analyzed with the help of the theoretical framework. These patterns let the researchers find generally applicable approaches to assist consultants in understanding and managing informal factors more efficiently. This analysis led to the development of a set of definitions of informal concepts. By introducing a new application of the term informalities, functioning as a contextually dependent term to use when discussing surrounding concepts, and through reinterpreting existing definitions, this study contributes towards generalizing a situationally and contextually dependent subject.

Delving deeper into informalities the researchers clarify ambiguous informal concepts while providing the consultant with tools to better their own process of understanding informalities in the client organization. The paper explores the different ways informalities may affect CVCCO, predominately negative effects but also a few opportunities to positively affect CVCCO by utilizing certain informalities. Furthermore, several approaches for consultants to manage informalities are established and overviewed, providing specific contextual applicability to help the consultant select an appropriate approach when encountering informal factors in the client organization.

The main conclusions of this study are: Informalities are always present in every organization. These informalities are likely to have an impact on CVCCO, therefore there is a risk in ignoring them. The way that the external consultant manages informalities in the client organization is an area where consultants have room for improvement. The junior consultant has a comparatively limited understanding of informalities, especially informal communication channels and corporate political activity compared to a senior consultant.

Keywords: Informal organization, informal hierarchy, external consultant, client relationship, informalities, consultant value contribution, corporate politics

Acknowledgments

Table of Content

1 Introduction

The informal organization is the interlocking social structure that governs how people work together in practice. It is the aggregate of norms, personal and professional connections through which the employees act, and relationships are built. The informal organization is constantly evolving and is both dynamic, responsive and its existence depends on how it is perceived (Lysons, 1997). Ultimately, to fully understand the key characteristics of an informal organization, insider knowledge of the organization is required. This is where this study enters; how can a consultant, who is by definition external and temporarily part of the client's organization, cope with the informal organization. Furthermore, how can the consultant effectively advice the client while adapting to said internal structures within the client organization.

A management consultant generally has the advantage of being able to neutrally reflect over the client's different functions since it is brought in externally and has yet to be internalized in the organization. As such, a consultant is not part of the client's culture and has not taken part in any earlier corporate politics. This facilitates the ability to act as a neutral part but may limit the consultant's ability to understand the client organization and its true needs in terms of advice and help. Corporate politics is by the interviewed consultants in this study perceived as a matter not likely to assist the consultant in its work and a matter to avoid getting involved in. It is, however, a matter that can have substantial negative impact on the consultant's situation and can lead to delays and lower performance.

Having difficulties understanding the client's organization and needs may impact the consultant's performance negatively since acquiring deep knowledge about the organization requires both effort and access to informal arenas. These difficulties may lead the consultant into facing informal barriers and gatekeepers (IBG). IBG, which later in this study are redefined as informalities, are phenomena that may affect the CVCCO and are the centerpiece of this paper.

Over time informality arises in an organization, employees will spontaneously develop interpersonal relations and eventually they find themselves at a position in the informal hierarchy based on their personality and personal characteristics (Lysons, 1997). Acquisition of knowledge regarding informality in an organization naturally comes over time. Seeing the organization handling different scenarios and situations will eventually reveal the company culture, informal hierarchy and informal communication channels. It is not always possible to experience these situations or speed up the process of learning. Often experience can substitute time – as a senior consultant can draw on previous experiences and knowledge of IBG to more quickly grasp informal structures of the client organization. This is also explored in this study – the difference in how seniors and juniors tackle informalities to contribute to the value creation among their clients.

1.1 Background

Trust from the client is expected to be one of the most important factors for a successful consultant client relationship, which is also emphasized by McGivern and Fineman (1983). The client should trust that the consultant will provide a net gain for the client. Additionally, even in successful relationships, the success factors might differ depending on perspective, as

1

shown in a second study by McGivern (1983), where consultant's view of what made a relationship successful is substantially different from their client's view.

Indications that consultants are facing IBG and finding it troublesome have been suggested by several management consultants to the two researchers. It was at a career fair at Chalmers University of Technology in 2017 that several management consultants were asked what great difficulties they had faced as recent graduates. A common answer was that they had experienced difficulties in understanding the client's culture, informal structure of the organization and informal communication channels. This they said could result in wasted time, higher costs and deteriorated working environment. These difficulties are believed to originate from IBG and are difficult to deal with due to their informal nature. The complexity of the informal organization is illustrated in Figure 1, showing how hierarchy, relations and communication patterns may depend on structures not related to the formal organization.

Figure 1: Illustration of the complexity of the informal organization and how hierarchy, relations and communication patterns may depend on structures not related to the formal organization[1]

1.2 Problem Formulation

A common difficulty for management consultants is the ambiguity of managing negative effects of IBG when working in client organizations. This results in reduced client value in the execution of consultant services. This difficulty is further exasperated since it is hard to share the predominately tacit knowledge of IBG within the consultant organization.

1.3 Purpose

This study aims to establish common approaches and strategies that can be applied to identify IBG, explore possible negative effects IBG can have on CVCCO and how to reduce said negative effects. By analyzing interview data, generated from interviews with employees from different management consultancies, general approaches applicable for management consultants will be established.

1.4 Research Gap

From the theoretical framework we will be able to establish that IBG exist, that they are upheld in structures, hierarchies and culture of corporate politics, and that these have effect on client value. We will also establish that the consultant client relationship is central to CVCCO and that there are a multitude of different factors affecting each instance of this relationship. The research gap that this study then attempts to bridge is the connection of the consultant-client relationship and informal factors. To further the understanding of IBG from the consultant's perspective, and finding ways of managing IBG to increase CVCCO.

1.5 Definitions

IBG consists of Informal barriers and informal gatekeepers within the client organization.

Informal barriers are unofficial organizational structures that significantly increase inertia and resist change. The assumption that the change in question aligns with corporate strategy necessitates the informal nature of these barriers, as open obstructions to strategy would naturally not be allowed. As such these are constructed and can be used as tools to subvert management for personal gain at the expense of organizational value by politically inclined individuals.

Informal gatekeepers are individuals who affect decision making and change management beyond their formal authority. These individuals may have significant real impact despite having limited or no formally assigned power to do so.

Corporate Politics are situations where personal incentives interfere with decision making and are not in line with overall company strategy

Informal Hierarchy – Vertical social conditions based on informal reasons, often dependent on person and personality, which over time get established as social routine.

Informal Leaders – Individuals who have significant influence on the client organization due to their position in the informal hierarchy.

Informal communication channels – Simple natural communication channels that are not officially established through the formal structure. These often functioning as shortcuts and occur naturally over time.

Company culture – Norms, values and attitudes that affect human behavior within an organization. Generally, only partial after design and officially communicated, where the remaining parts are the product of informal norms, values and attitudes.

1.6 Research Questions

The research questions are formulated to encapsulate the likeliness to encounter IBG, determine what the effects are and how they could be handled. The research questions provide a goal of finding patterns and methods to informalities from the external consultant perspective which both can be explored with qualitative data and answering to the main question *"How a management consultant should manage IBG?".*

RQ1 – How can an external consultant identify and understand IBG?

RQ2 – What patterns can be found in the way IBG affect CVCCO?

RQ3 – What different approaches are available for consultants to manage IBG?

RQ4 –Are there differences in the way junior and senior consultants view IBG?

2 Method

In this chapter, the underlying study of the research will be presented. Chosen research methods and research logic is elaborated upon while continually explaining the reasoning behind these choices.

The research relies on empirical investigation using a theoretical framework. Said framework has been developed with findings in a theoretical investigation parallel to the empirical research, with the purpose to better understand and analyze empirical findings.

Edmondson and McManus (2007) discuss research fit when entering research fields of different maturity. When entering a nascent field of research, the best fit is utilizing open-ended research questions, using qualitative interview data to discover patterns to the data accumulated. This aligns well with the overarching research method chosen for the research.

2.1 The Research Process

Due to the explorative nature of the project the decision was made to have an "agile-similar" process when conducting the study. Continually re-evaluating the methods applied and having regular feedback sessions with both the academic supervisor at Chalmers and the in-field supervisor at Company X.

To facilitate more genuine data in a topic that may be considered sensitive all results were anonymized. Furthermore, interviews were conducted in Swedish, aligned with Welch and Piekkari (2006) who emphasize using the interviewee's native language for more honest and "rich" answers during qualitative research. As such, Swedish was used to ensure no restrictions on the interviewees' ability to communicate

The study consisted of an initial phase and a main phase. The initial phase was conducted with three experienced consultants at company X and the main study was conducted with a junior and senior employee at five different management consultancies. The questions in the main study were derived from the results of the initial phase and designed to explore interesting patterns from the experiences of the three consultants as well as hypotheses constructed from the data acquired. An illustration of the work process can be seen in Figure 2.

Figure 2: An initial phase consisting of two iterations with the same respondents, the second iteration building on the prior one. Then proceeding into a main study with one junior and one senior consultant from five different firms.[2]

2.1.1 The Initial Phase

Having a limited understanding of the subject matter the researchers started by creating a set of open ended and general questions for the initial phase. The purpose was to explore different aspects of the subject to find avenues of approach for the main study.

The first iterations' questions were designed to be asked in a semi-structured manner to allow interview subjects to elaborate and open up on aspects of the issue that have yet to be considered. The second iteration was built based on the results of the previous, following up on interesting subject matter discovered during the interviews through cross-referencing.

Interviewing three experienced consultants in two iterations allowed the researchers to uncover and then investigate a set of basic hypotheses, finding and refining the scope of the rest of the study. This resulted in a set of four themes to further investigate in the main study:

Preparatory work, analyzing what preparatory work consultants do when being introduced to a new client and project, while giving additional focus on preparatory work that relates to dealing with IBG.

Ambiguity and insecurity, defining ambiguity as a commonplace occurrence in a consultant's daily workflow. Insecurity in turn is defined as when substantial risk is associated with the result of a decision dependent on ambiguous conditions. The purpose of this theme is to investigate the possible negative impacts of insecurity, and ambiguity to a

---

[2] Icons made by Monkik from flaticon.com

lesser extent, on a consultant's value contribution to the client organization. As well as investigating possible causes and remedies for said ambiguity and insecurity.

Corporate politics, looking at middle-management and upper strategic management the authors wish to evaluate the possible patterns to how informal power struggles appear and impact CVCCO negatively.

Deference, reviewing two different methods (Straightforward and Blue-eyed, which are covered in the 5.4) a consultant may manage interpersonal relationships within the project and possible risks and rewards related to each.

Each of these themes were co-developed with the development of a number of hypotheses that were found during the initial phase. A detailed description of this process can be found in Appendix A – Detailed description of the interview process.

2.1.2 The Main Phase

Similar to the initial phase, these interviews were designed to be conducted in a semi-structured manner. Having follow-up questions being an important source of additional and complementary information (Davis, 2014). The questions were designed to be easily followed up as the interviews progressed. Further the questions were designed under each theme with the additional goal of possibly validating or disproving the associated set of hypotheses, while still being sufficiently open-ended as to be semi-structured. More details on the interview process and the questions asked in each phase can be found in Appendix B - Main phase questions asked.

2.1.3 General Interview Technique

The practical approach to the interviews was that both researchers attended, one taking the lead and asking questions while the other taking continuous notes and marking whenever an interesting subject was mentioned. With this approach the leading interviewer could foster an air of story-telling by allowing the interview subject to continue to elaborate on the current subject with the second returning the conversation to interesting leads whenever the current subject had been exhausted. To complement the notes each interview was recorded and reviewed. The interviews were not transcribed in entirety, but instead interesting quotations were chosen that represented the general sentiment of the interviewee.

2.2 Sampling Strategy

The initial phase was entirely conducted with experienced consultants at Company X. Working in the same office as these consultants allowed interviews to be planned and conducted substantially quicker than with outside firms. Each of the consultants chosen had substantial experience as management consultants and were recommended by one of the supervisors at Company X. Beyond experience they were each expected to have a different approach to management consultancy, these expectations were fulfilled and the risk of getting a biased view with consultants from the same firm was avoided.

To find interview subjects for the main phase of the study the Chalmers work fair, CHARM, was visited and initial contact with the majority of the later interviewed companies was done there. The last couple of firms were found through connections at Company X. Every company were required to have both junior and senior management consultancy positions with ties to change management. Albeit we didn't state any specific amount of experience to distinguish a

consultant as junior or senior, the effective line was drawn at 3 years of experience where juniors all had less,   and the majority of senior consultants had substantially more.

Each company was asked to provide a junior and senior consultant, to capture possible differences in perspective on the subject matter. As such, a total of 5 different companies and 10 consultants were included in the main study which should be an adequate sampling according to Eisenhardt (1989) who suggests that case analysis involving at least four studies may provide a good basis for analytical generalization. These interviews were conducted over a 5-week period with parallel analysis and review during this time.

2.2.1 Constructing the Theoretical Framework

The initial building blocks of the theoretical framework were derived from key words in the problem formulation. By investigating the keywords that were imperative to understand for the work process an initial selection of literature was found. By further investigating the sources of said literature the framework grew, and by continually finding new keywords throughout the study it continued to grow organically as the thesis progressed.

2.3 Processing and Analyzing the Empirical Data

With the purpose of supporting consultants in tackling IBG establishing a general applicability of the research was important. Having a very case-by-case-dependent subject the analysis was chosen to focus on establishing patterns between different consultants. To find patterns out of multiple semi-structured qualitative interviews we decided to treat the data with as much objectivity as possible, and with the support of a consultant at Company X the following empirical data processing method was devised.

The interviewees were coded with two letters; each interviewee had their firm and senior or junior status in their code, as shown in Figure 3. The consultants from the initial phase at Company X were assigned as Xa, Xb and Xc.
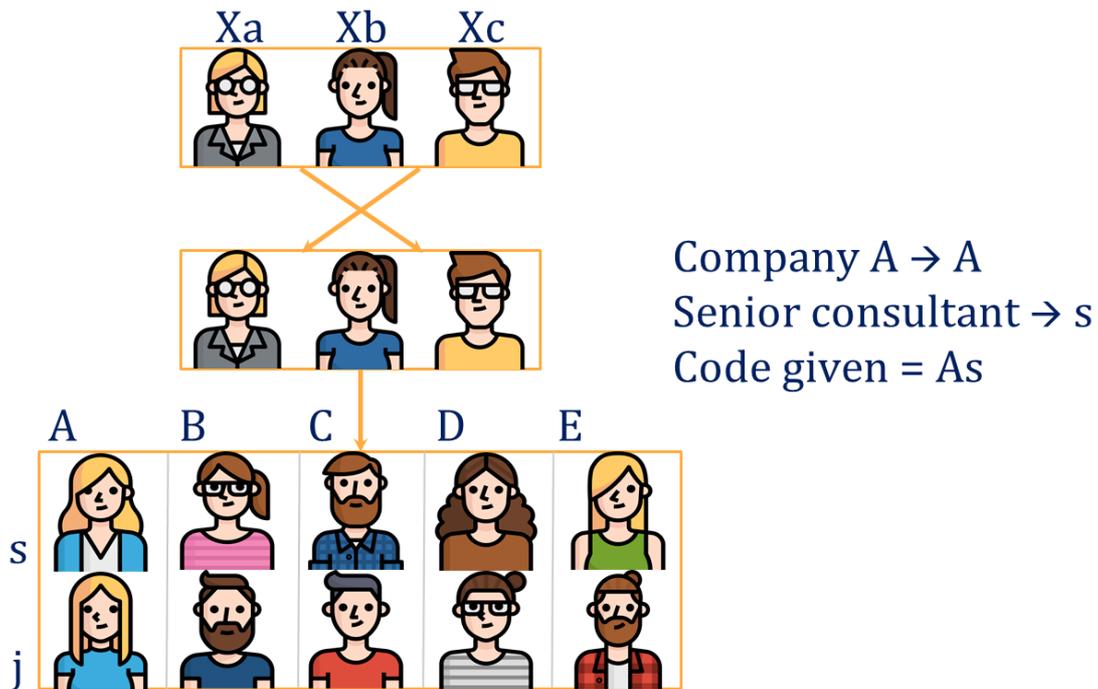
Figure 3: Each interviewee was assigned a code based on company and seniority[3]

After each consultant had a two-letter code all the transcribed interview data were worked through, adding all statements that could be of interest to the study in a spreadsheet. Whenever a statement was found in multiple interviews, the interviewees' codes were grouped together, as shown in Figure 4.

Kod	Total	Påstående			
		Förarbete			
Aj, Bs, Cj, Cs, Ds, Xa, Es		Läser på om kunden			
Bj, Xa		Var befinner sig projektet, hur är moralen etc.			
Aj, Cs, Es		Läser på om relevant kunskapsområde för projektet			
As, Xa, Xb, Es		Lära känna de hen ska jobba med hos kunden			
Ds		Kollar med kollegor som varit hos kunden			
Cj, Ds, Xa		Hur ser personalpolitiken ut, väldigt viktigt (kulturen hos kunden?)			
Aj		Följer de kommunikationskanaler som seniora redan har hos kunden			
As		Ta reda på vem som blir hens Go-to om det krånglar			
Aj, Cs		Potentiellt förarbete: kartläggning av nyckelpersoner			
Cs		Potentiellt förarbete: Skriva dagbok			

Figure 4: Each statement was added with the associated code

This initial processing gave a large amount of "raw" statements. Next, we reviewed each statement and consolidated statements to eliminate redundancy of different wordings of the

same sentiment, which sometimes required careful rephrasing to maintain data accuracy. This reduced the total number of statements substantially, and the remaining statements were counted and put on a color gradient depending on severity. Then they were color coded under different themes, like negative effects or possible methods as shown in Figure 5.

28	Aj, Cj, Cs, Ds, Es	5	Maktspel påverkar negativt: Företagets bästa går inte först
29	As, Xc, Xb, Ej	4	Det är många som vill få sin åsikt hörd högre upp i organisationen =1
30	Bs, Xc, Xa, Xb, Cs	5	Man hittar informella kanaler med tiden och känner kundorganisation
31	As, Bs, Cs, Xa, Es	5	Informell kommunikation finns på alla nivåer
32	Aj, Bs, Cs, Xc	4	Maktspel påverkar negativt: Det blir fel fokus
33	Aj, As, Bs, Cj, Cs, Xc, Es	7	Maktspel påverkar negativt: Det tar längre tid
34	As,Xb, Es, Dj	3	Maktspel påverkar negativt: Svårt att få pålitlig information
35	As, Bj, Xc, Ds, Xb, Dj	5	Metod: Konfrontera informella ledaren på ett utredande vis

Figure 5: In the next step the statements were consolidated, color coded and counted

In the next step another more thorough analysis was done, where each transcribed interview was meticulously reviewed to make sure no data was amiss. Additionally, each statement was classified based on three additional factors.

Each statement was reviewed on the basis of whether or not they had impacted the research questions selected, if not they were then removed. Otherwise they were assigned a number corresponding to the question or questions they could be categorized under, illustrated in Figure 6.

Aj, As, Bs, Cj, Cs, Xc, Es, Ds, Ej, Xa, Xb	11	t	2	Maktspel påverkar negativt: Det tar längre tid	Wickenberg
As, Aj, Xb, Es, Dj, Bs, Ej	6	t	2	Maktspel påverkar negativt: Svårt att få pålitlig information	Wickenberg
As, Bj, Xc, Ds, Dj	5		3	Metod: Konfrontera informella ledaren på ett utredande vis	
As, Bj, Xa, Xb, Xc, Cs	6		2	Det är lönsamt att ta informella kommunikationskanaler i beaktande	
Bj, Cs, Ds	3	t	2	Informella beslut fungerar inte på hög nivå (det är mer riskabelt, politiskt laddat med informella beslut på hög nivå)	När behövs form
Xc	1	t,e	3	Metod: Maktspel kan användas för att underlätta förändring	Cheap tricks for

Figure 6: Each statement was linked to a research question

Secondly, whether the statement needed additional theoretical or empirical investigation were considered, if so the letter "t" for theory or "e" for empirical were added to the statements row. If no empirical investigation was necessary, these statements were changed to green. This is illustrated in Figure 7.

Aj, As, Bs, Cj, Cs, Xc, Es, Ds, Ej, Xa, Xb	11	t	2	Maktspel påverkar negativt: Det tar längre tid	Wickenberg
As, Aj, Xb, Es, Dj, Bs, Ej	6	t	2	Maktspel påverkar negativt: Svårt att få pålitlig information	Wickenberg
As, Bj, Xc, Ds, Dj	5		3	Metod: Konfrontera informella ledaren på ett utredande vis	
As, Bj, Xa, Xb, Xc, Cs	6		2	Det är lönsamt att ta informella kommunikationskanaler i beaktande	
Bj, Cs, Ds	3	t	2	Informella beslut fungerar inte på hög nivå (det är mer riskabelt, politiskt laddat med informella beslut på hög nivå)	När behövs form
Xc	1	t,e	3	Metod: Maktspel kan användas för att underlätta förändring	Cheap tricks for

Figure 7: The statements were reviewed on whether further theoretical or empirical investigation was warranted, if not they were colored green

The theoretical framework was reviewed to see what theories available might be usable to investigate the different statements further or note on what kind of theory might be used for this purpose, illustrated in Figure 8.

Aj, As, Bs, Cj, Cs, Xc, Es, Ds, Ej, Xa, Xb	11 t	2	Maktspel påverkar negativt: Det tar längre tid	Wickenberg
As, Aj, Xb, Es, Dj, Bs, Ej	6 t	2	Maktspel påverkar negativt: Svårt att få pålitlig information	Wickenberg
As, Bj, Xc, Ds, Dj	5	3	Metod: Konfrontera informella ledaren på ett utredande vis	
As, Bj, Xa, Xb, Xc, Cs	6	2	Det är lönsamt att ta informella kommunikationskanaler i beaktande	
Bj, Cs, Ds	3 t	2	Informella beslut fungerar inte på hög nivå (det är mer riskabelt, politiskt laddat med informella beslut på hög nivå)	När behövs form
Xc	1 t,e	3	Metod: Maktspel kan användas för att underlätta förändring	Cheap tricks for

Figure 8: Notes on relevant theory were added

Finally, the data were normalized between junior and senior consultants (dividing the amount of senior answers by 8/5) to compare each statement from the junior and senior perspective. Each statement with a difference in mentions between junior and senior of at least 20% were reviewed and a few where selected for further analysis.

2.4 Follow-up Questionnaire

After processing the data, a few gaps in the qualitative interview data were discovered. These gaps were mainly from conflicting statements between data sources or that only a few interviewees reflected on the statement as a result of the interviews' semi-structured nature. The questionnaire consisted of five questions. The first four asked the respondents to just allocate their own opinions on a scalar following a statement or question. The purpose of these questions was to gauge if there was bias in areas where conflicting opinions might sway or recommendations on the subject. The final question evaluates the so nick-named "Phoenix Method", dealing with ambiguous conditions by pitching a solution based on current understanding. Then use reactions to the proposal to clarify the situation further and if necessary develop the solution further. Analogy for the name being letting the solution fly, crash, burn and then be reborn. Receiving more consultants' input on what we saw as a possibly interesting method gave an overview of the strengths and weaknesses of the method.

2.5 Delimitations

Subjective reasoning, due to the exploratory nature of the subject, as well as the authors' limited experience in the field of consultancy, a major part of the research design needed to be based on the reasoning of the authors themselves. Both authors have attended courses in research design and methods and have experience with previous scientific research, which was used when constructing the initial research-plan. An "agile-like" mindset and workflow was then adopted since the end goal could not be established. It consisted of continual review and realignment supported by outside input. To increase the validity while following the "agile-like" workflow, efforts were made to establish a clear chain of evidence to let the reader reconstruct the authors thought process and reasoning behind their decision making as described by Yin (1994). Consultants at Company X and the academical supervisor were met with regularly to review current progress and realign the project if necessary.

Using quotations, the decision was made to represent the interviewees with select quotations related to questions rather than presenting fully transcribed interview data. This has the advantage of being able to represent the interviewee in a concise and digestible manner. Furthermore, this approach makes it possible to take contextual clues into account

when reasoning on what is being said beyond the literal words used, which is a very important aspect of representation within such an ambiguous subject.

Sampling, given that the initial project plan was constructed with a limited understanding of the subject matter no investigation was done as to who would be the perfect fit for the interviews. Instead relying on a random selection of companies has had the benefit of circumventing the risk that selection criteria based on a partial or faulty understanding of the subject matter limited the scope of the investigation. Additional quantitative research could be used to further validate the recognized trends and patterns of the report with statistical significance; however, this lies outside the scope of this study.

Sensitive subject, since the subject according to the authors experience is considered not to be a common topic of discussion or education for general management consultants, the data received is generally based on the first interpretation and answers of the interview subjects. This was decidedly a trade-off, while allowing the subjects to review the questions in advance would give them more time to contemplate their answers it would also rely heavily on their interpretation of the subject definitions and questions. While conducting the interviews an effort was intentionally made to make sure that the initial definitions and questions were interpreted in the same way for each interview subject. This helped ensure that the results were to be viable for comparison. Given that there are no substantial ethical risks involved with the thesis no ethical considerations were made.

3 Theoretical Framework

The purpose of the theoretical framework is to present the literature and theories that the analysis is based on. The chapter is divided into two parts. The first part treats theories regarding informality in an organization and identification of it. The second part deals with the relationship between the client and the consultant.

3.1 Informality in Organizations

Beyond the formal organization it exists informality in all organizations. In the next section theory regarding how informality supports the formal organization and its efficiency and how informality is identified will be presented.

3.1.1 Informal Organization

"The informal organization arises from the interaction of people working in the organization, their psychological and social needs, and the development of groups with their own relationships and norms of behavior, irrespective of those defined within the formal structure."

(Mullins, 2007) p.91

The informal organization is flexible and loosely structured. The relationships between the members are difficult to define and even the membership is spontaneous and with varying degree of involvement (Mullins, 2007). The informal organization can serve a number of important functions according to Lysons (1997):

- It provides satisfaction of members' social needs and a sense of personal identity and belonging.
- It provides for additional channels of communication – for example through the 'grapevine'. Information of importance to particular members is communicated quickly.
- It provides a means of motivation – for example, through status, social interaction, variety in routine or tedious jobs, and informal methods of work.
- It provides a feeling of stability and security, and through informal 'norms' of behavior can exercise a form of control over members.
- It provides a means of highlighting decencies or weaknesses in the formal organization

"If you can't measure it, you can't manage it!" is a famous quotation from Peter Drucker, said to be the man who invented modern business management. Gibbons and Kaplan (2015) argues that the informal part of an organization cannot be measured with formal measures. Measuring the informal part is of importance when writing employee incentive contracts. By catching the informal part, the company can encapsulate behavior where executives use discretion and judgement rather than managing solely by the numbers (Gibbons & Kaplan, 2015). Applying a competitor's scorecard is not useful and will not work. The key to a successful scorecard come from the process of developing an own scorecard, even though it might be inferior. By designing a balanced scorecard internally managers can discuss both why certain measures should be selected and how they should be used (Gibbons & Kaplan, 2015). The internal investigation can in turn facilitate the creation of a new corporate culture which is in line with the corporate strategy.

3.1.1.1 The difference between formal and informal organization

The characteristics of the informal organization are easiest described by comparing to the characteristics of the formal organization. Figure 9 shows the differences according to Mullins (2007):

	Formal Organization	**Informal Organization**
Structure		
A Origin	Planned	Spontaneous
B Rationale	Rational	Emotional
C Characteristics	Stable	Dynamic
Position Terminology	Job	Role
Goals	Profitability	Member satisfaction
Influence		
A Base	Position	Personality
B Type	Authority	Power
C Flow	Top-down	Bottom-up
Control Mechanisms	Threat of firing	Physical or social sanctions
Communication		
A Channels	Formal channels	Grapevine
B Networks	Follow formal lines	Cut across regular channels
C Speed	Slow	Fast
D Accuracy	High	Low
Charting the organization	Organization chart	Sociogram
Miscellaneous		
A individuals included	All individuals in work group	Only those 'acceptable'
B interpersonal relations	Prescribed by job description	Arise spontaneously
C Leadership role	Assigned by organization	Result of membership agreement
D Basis for interaction	Functional duties or position	Personal characteristics
E Basis for attachment	Loyalty	Cohesiveness

Figure 9: Differences between the formal organization and the informal organization according to Mullins (2007) p.92

3.1.1.2 Benefits of informal organization

There is a strike action called "Work-to-rule" which consists of workers doing their job strictly by the rules instead of striking normally. By doing no more than the minimum required by the rules of their contract, and precisely following all safety or other regulations they may cause a slowdown or decrease in productivity. Morgan (1997) presents an old example from the state-owned, bureaucratic British Rail. If its workers declared a formal strike it would drain their strike funds, while if declaring "work-to-rule", they would really be doing their job. British Rails workers started following all directives which led the train traffic to slow down and ultimately to a standstill. The conclusions that can be drawn here is that the impact of the informal system at British Rail was that the organization, without any formal directives to do so, had corrected defects in the formal system enforced. The behavior of the British Rail workers indicates that the informal system interpret the formal rule-based system and makes adaptions to it to strengthen the overall efficiency, ultimately forming a self-designing system (Weick, 2012).

3.1.2 Informal Hierarchy

Informal hierarchy is the hierarchy based on corporate influence depending on each individual's personality and personal characteristics. The opposite is the formal hierarchy which is based on corporate power depending on corporate title and assigned responsibility.

3.1.2.1 Identification of informal hierarchy

Webster (1970) has researched differences in the use of word-to-mouth communication in the buying process in industrial market and commercial market. Strong users of word-of-mouth communication are what Webster call opinion leaders. *"Opinion leaders are group members whose actions and opinions are likely to have a strong influence on those of other members of the group"* (Webster, 1970) p.186. By interpersonal communication, also called word-of-mouth, opinion leaders exert their influence on other group members. According to Martilla (1971) opinion leaders are aware that they are opinion leaders and themselves say that people come and seek their advice. This is confirmed by their colleagues who also expressed that they approach the opinion leaders to seek their advice. This make opinion leaders to a higher extent exposed to personal sources of information than other people in the firm are exposed to (Martilla, 1971). Martilla's research also shows that opinion leaders are neither known nor exposed to industrial salesmen continuing that they need to actively be searched and asked for to be reached.

In the area of open innovation Whelan, Parise, de Valk, and Aalbers (2011) proposes that idea scouts and idea connectors are disproportionately influential in producing successful open innovation outcomes. Idea scouts are characterized by an extensive ability to search and find new technologies outside the firm. Problems occur when they communicate their findings and ideas about potential application of the technologies based on people's organizational titles instead of ability to make product decision. By following the formal hierarchy instead of the informal hierarchy open innovation fails. By getting together with an idea connector, which can be seen as informal leaders, open innovation has a much higher chance for success. Idea connectors are characterized by their broad network inside the company, log organization tenure, enjoyment of helping others and having a reputation for technical competence among their colleagues (Whelan et al., 2011).

Stakeholder analysis is a common project management technique made popular by Freeman (2010) and used in an early stage of a project. The practice has its roots in the political and policy sciences, but have in management theory been concretized and evolved into a systematic tool with clearly defined steps and application (Brugha & Varvasovszky, 2000). Stakeholder analysis is used to identify the relevant actors and generate knowledge about their behavior, intentions, interrelations, agendas, interest, and the influence or resources they possess or could possess.

3.1.2.2 Informal hierarchy in different formal organizational types

Diefenbach and Sillince (2011) structure a comprehensive argument with definitions surrounding the origins and implications of informal hierarchy within differently structured organizations. The nature of the informal differs depending on the formal structure. In Figure 10 five different formal organizational types are listed with a description of the relationship between the formal and the informal hierarchy.

Description of formal organization:	Description of the relationship:
The orthodox/bureaucratic organization, with a strict linear formal hierarchy and limited cross-sectional interaction	*"Within any bureaucratic organization informal hierarchy will occur at each hierarchical level based on the principle of dominance among equals and will support the dominant formal hierarchy as its logical extension."*
The professional organization, where the formal hierarchy is often superseded by an informal hierarchy based on technical expertise and merit	*"In the professional organization, the formal principle of seniority and the formal principle of professional autonomy, although in some contrast to each other, converge towards the informal principle of domination among semi-autonomous professionals."*
The representative democratic organization, where political influence is central to the formal hierarchy.	*"In the representative democratic organization, the principle of formal hierarchical representation is instrumental for the principle of informal political domination. Together, both principles represent the formal as well as informal dominance of a politically active minority over a politically inactive majority."*
The hybrid organization, where formal hierarchy is supplemented by cross functional structures	*"In the hybrid organization, a formal hierarchical double structure of principles of direct and indirect line management is complemented by a strong informal principle of continuous hierarchical positioning at work."*
The network organization, that purposefully attempt to avoid hierarchical structures creating a flat and egalitarian organization	*"In networks, the formal principle of autopoietic structures and processes provides the space for some members to develop traditional roles and corresponding behavior of dominance and obedience. As a consequence, informal hierarchy starts to dominate, based on an informal principle of communicative dominance."*

Figure 10: Diefenbach and Sillince (2011) p.1531

The essence of what Diefenbach and Sillince suggest is that informal hierarchy is essentially unavoidable in organizations. Where informal hierarchy extends, runs in parallel with, supplements or replaces the formal hierarchy. Additionally, even in the case of a conscious decision by an organization to abstain from any hierarchical structures, informal communication creates an indirect informal hierarchy acting similar to that of a bureaucratic organization (Oberg & Walgenbach, 2008).

3.1.3 Informal Communication

Networks of informal communication can benefit convergence speed, reduce opinion clusters and hence assist in transforming company culture Song, Shi, Ma, and Yang (2015). Song et al. (2015) present three key factors of informal networks that affect the informal network's impact on the formal network. These are the number of individuals in the informal communication network and the number of connections between the individuals. Although the highest impact had the level of tolerance each individual had to other individual's' opinions meaning how easily they could be persuaded.

Informal information is not evenly communicated inside the firm. Opinion leaders are exposed to more informal communication and consequently they are able to hold their position as opinion leaders and informal leaders (Martilla, 1971). The effect of opinion leaders is emphasized by Pettigrew (1975) who states that there are individuals that acts as gatekeepers structuring the outcome of purchasing situation by controlling information and thus are likely to exert their power and influence.

If an initiative has stalled, or a firm faces an extraordinary deadline, it needs to accomplish tasks fast and across divisions. This is accomplished with the help of the informal organization, consisting of the network of relationships employees form across functions and divisions. To be able to manage informal communication, managers must learn how to identify and direct informal communication (Krackhardt & Hanson, 1993). Many managers believe that they have a good clue about how their employees communicate but that is necessarily not true (Krackhardt & Hanson, 1993).

"If the formal organization is the skeleton of a company, the informal is the central nervous system driving the collective thought processes, actions, and reactions of its business units"
(Krackhardt & Hanson, 1993)

3.1.4 Corporate Politics

It could be seen that organizational politics is a distraction from a consultant's mission and participation in organizational politics detracts from client value. Buchanan and Badham (1999) have investigated this with a case study and conclude that it is not the case. When corporate politics is seen as dirty tricks it is easy to distance oneself from it, but corporate politics consist of much more. Their case illustrates that political behavior is accepted and not repulsive as can generally be thought. "Change agents", as the study treats, are drawn into political behavior by a mix of organizational and interpersonal factors. Political behavior can favor reaching organizational goals as well as personal career goals (Buchanan & Badham, 1999). Their interviewees admit that in isolation some specific political actions may seem unacceptable but in some potential context the same actions can be defensible. One of the managers interviewed state that people that are working on a high hierarchical level are not only good at playing political games, they are actually enjoying it. And the people that fail on that level are presumably failing because they aren't particularly good at playing and don't understand political games (Buchanan & Badham, 1999).

Perceived politics can have significant impact on performance within organizations as referenced by Ferris et al. (1996). Beyond the suboptimal prioritization introduced by personal agendas, a politically intense environment may reduce trust and increase stress within organizations. The existence of organizational political behavior is emphasized by Wickenberg and Kylén (2004) who state that there are organizational political behavior in 95 % of the 491 Swedish firms they have studied. Though only to a moderate extent.

"The project management school focuses on single projects and puts an emphasis on the planning and execution of a systematic breakdown of the project task" writes Wickenberg (2004). Since management consultants mainly work in projects, often in the role of project manager, project management theory is applicable. According to Wickenberg, earlier research in the project management school have been criticized by mainly Scandinavian researchers for putting too much focus on the technological characteristics while neglecting the informal characteristics of a project, Wickenberg (2004). The degree of performed organizational politics depends on both the magnitude of the change and the change target. The more radical

the change is and the more valuable and strategic business targeted for change, the more political behavior will be seen from both the supporters and opponents of the change (Buchanan & Badham, 2008). If the change project is large-scale the political activities will mostly occur in the design phase of the project, before it starts to gather momentum.

3.1.5 Disadvantages of Informality

When the European Union Council transited from unanimity to qualified majority it dramatically increased decisional efficiency (Popa, 2010). Still there is an informal, unwritten, rule that consensus should be thrived for. It is estimated that since the introduction of the qualified majority voting the Council only votes in one fourth of the issues on the agenda. This is because the other issues can be adopted without a formal voting. This informal mechanism can solve bottlenecks and facilitate cooperation especially at lower levels of decision, but it can also become an additional obstacle. It happens that the Council tries to achieve unanimity when it is not necessary which make the decision process severely more difficult. In agricultural matters reaching unanimity became such a strong practice that it blocked decision making when it indeed was possible to make a decision according to the formal rules (Popa, 2010).

3.2 Consultant Client Relationship

This study is considering how CVCCO is better managed by a management consultant. Since CVCCO is achieved by working with the client, the relationship between the consultant and client may be integral to the consultant's work.

3.2.1 Reasons for, and Risks of, Consultancy Services

Wilson (1972) proposes seven reasons for buying consultancy services:

1. The need for a special skill for a specific reason
2. The nature of the problem, unique sporadic occurrence
3. Legal requirements
4. The need for strong objectivity and freedom form internal pressures
5. Lack of special, more hardware resources
6. Cross-industry fertilization
7. Anonymity or confidentiality, e.g. new product development or company acquisition

In essence, buying consultancy services instead of using in-house knowledge often comes down to the risk and cost trade-off. According to Wilson (1972), in-house lawyers are estimated to be 40 % cheaper than buying lawyers by the hour from outside firms. But using outside firms comes with the benefits of being able to terminate the contract and to switch to relevant competence if the company's demand changes. Frankenhuis (1977) continues further and proposes that there are three more reasons for buying consultancy services based on the managers' inability to manage. The three less desirable reasons are:

1. Poorly presented solutions
2. Lack of credibility of the persons in charge of recommending the best option
3. Personal issues like antagonism, political pressure and jockeying for position in the hierarchy

Mitchell (1994) continues and writes about the problems and risks in the purchasing of consultancy services. He proposes that there are several factors involved while buying a consultant service.

- The characteristics of the service
- The financial risk
- The conflict of interest
- The length of the purchase commitment
- Inexperience of the decision maker
- The conspicuousness of the decision

According to Mitchell (1994) the buying process of buying consultancy services differ substantially from buying consumer products. Buying consultancy services can involve significant investments of time, money and employees' time without any guarantees of a successful outcome. The purchase of professional services from e.g. consultancy firms or lawyers is extremely value sensitive (Mitchell, 1994). This means that if the consultant is able to create value it may be of very high value or of no value at all.

3.2.2 Different Perspectives on the Relationship

McGivern (1983) has conducted a case study with three different consultants and their clients and have found that the perception of what traits that made their relationship successful differs between the clients and consultants. This is highly interesting since it means that both parties may experience their mutual relationship as successful and productive but having different reasons as to why. The case study is based on his previous study (McGivern & Fineman, 1983), which concluded that a successful consulting relationship is characterized by interdependence between client and consultant which is both mutual and in balance. The authors also provide seven facets which together provide a general description of some of the dynamics of a successful consultancy relationship. These facets are:

- The degree of interaction between parties
- The extent of requirement for interpersonal skills
- The clarity of the focal problem/issue
- The need for trust
- The contingency of the methods used
- Client and practitioner values
- The influence of power

From the client perspective the need for trust is of highest importance and frequently regarded as the prime requirement. Trust seems to come from unambiguous behavior, together with a genuine willingness to help and adaptiveness to the clients' demand and wishes. In contrast the consultant emphasized the effect that trust has which is that the client is open and non-manipulative. The consultants didn't want to feel under pressure, being played with or denied relevant information. If that was the case the relationship and the quality of the work done would have suffered (McGivern, 1983). McGivern (1983) emphasizes that the clients he had interviewed had a general lack of emphasis on outcomes and very few referenced to tangible results. Instead they expressed the result as being a product of a number of qualitative factors in the relationship. Furthermore, it was more appreciated if the

consultant could manifest a high level of personal commitment rather than technical expertise or problem-solving skills.

As McGivern (1983) present the comparison of data between the consultant Andrew's interview and his two clients' interviews the differences in perceptions becomes clearer. The consultant Andrew had the impression that it was of importance to sell himself in a personal sense and that the client should feel personally connected with him. On the other side the client did emphasize Andrew's high level of commitment and willingness to give his best, but the connection in a personal sense was perceived to be of lesser importance. Instead the clients felt connected with in the first case Andrew's informality with the project group and his sense of humor and in the second case his cautiousness and that he made no move without consulting the right people in advance. This comparison gave only partial support to Andrew's perception that close personal identification was the key to a successful relationship. In essence it can be determined that a trusting relationship and having confidence in each other was seen as important for both parties, the same factor that Andrew proposed, but not because of the same reasons.

According to McGivern (1983) it is the consultant that has the power to manage the relationship with its client by maintaining a balance between the consultant and client. The consultant requires co-operation from the client not only for assistance to clear the ambiguity and define the problem but also during the process of resolving the problem. To build a more efficient relationship the consultant should focus on gaining complete confidence and trust and adapt a behavior that makes the client feel safe (McGivern, 1983). By achieving that the client will feel confident to be open and share all information.

4 Empirical Findings

In this section the exploration of the topics and hypothesis will be elucidated. An initial phase of six interviews was conducted, where three experienced consultants at Company X were interviewed in two iterations. During the initial iteration four themes were uncovered that were further investigated in the second iteration. Finally, the main phase of the study was conducted with a junior and a senior consultant at five different firms, referred to as company A, B, C, D and E respectively.

Quotations have been intermittently spaced out between the statements, showing the more exact wording used and the sentiment of the interviewees on certain subjects.

4.1 Compiled Results

The processing of the data left us with a collection of statements with varying levels of support. Below we will introduce each theme and the statements that made it through our data processing. These statements are listed in order of strongest support to weakest. At the start of each statement is a number indicating the number of interviewees (out of 13) who in the interview were found to have supported the statement.

Given the semi-structured nature of the interviews we suggest not to read too much into the exact number of interviewees that support each statement. Additionally, a few statements with limited response, but interesting implications, were followed up on in the follow-up phase described in 4.2.

4.1.1 The Consultant's Preparatory Work

Code	Total	Statement
		Preparatory work
As, Bj, Cj, Cs, Ds, Ej, Es, Xa, Xb, Xc	10	Prepratory work: Talk to connections/colleagues who have previously been at the client
Aj, As, Bs, Bj, Cs, Ds, Xb, Es	8	Risk: Prerparatory work can give a faulty understanding
Aj, As, Cs, Xb, Bj, Ej, Dj	7	Potential Preparatory work: Stakeholder Mapping
Aj, Bs, Cs, Es, Ds, Ej, Dj	7	Effect: Preparatory work gives a better understanding of the client organization with creates client value
Bj, Cs, Xc, Ej, Aj, Ds, Xb	7	Effect: Preparatory work can reduce the "start-off time" in a project
Aj, Bs, Bj, Es, Ej, Dj	6	Risk: Preparatory work can be done in vain
As, Bj, Cs, Ds, Ej, Es	6	The limiting factor for preparatory work is time
Bj, Cj, Es, Ej, Cs, Dj	6	Effect: Preparatory work can improve your first impression at the client
Cj, Ds, Xa, Ej, Es	5	Prepatory work: Work to grasp the corporate culture at the client
Xa, Xb, As, Es, Xc	5	Informalities: Establish/identify a Go-To at the client organization
As, Xa, Es, Bj	4	Informalities: Get to know the people at the client
Xc, Xa, Xb, Aj	4	It's too difficult/time-consuming to spend time on understanding informalities
As, Cj, Ej	3	Effect: Preparatory work leads to better dynamics and personal relationships which in turn yields better results

Figure 11: Compiled statements regarding preparatory work.

(10) To interact with colleagues that are working or have previously worked with the client organization is a very common practice to understand informal conditions within the client organization.

"If I'm having lunch with a coworker; I say: -I'm going to be working at that department now. "-Oh, then that guy is really good, she has too much to do but the guy knows the stuff. Talk to her, she knows him etc." that usually works really well." – As, talking about talking to colleagues before starting a new assignment

(8) In general, with preparatory work related to informalities, one risk that is recognized by most interviewees is the dangers of getting a flawed image of the informalities. This in turn could jeopardize one's first impression at the client or create a false preconception that may be difficult to change later on.

(7) Preparatory work is regarded to have multiple positive effects; one is its capacity to facilitate the transition from the introductory phase towards contributing value to the client organization. By giving the consultant a better understanding of the client's organization earlier, the preparatory work may directly contribute to customer value.

(7) Another positive effect is that overall; the preparatory work can yield a better understanding of the client organization, helping the consultant deliver a better solution and thus directly impacting customer value in a positive manner.

> *"When you reach a certain level of basic understanding of the client organization everything becomes more interesting. If you're starting from square one and don't understand what the client is saying it becomes much more difficult to further develop an understanding of the company. – Es*

(7) One method that was mentioned by multiple interviewees as either a method they use or a potential method they could use, is stakeholder mapping, both in the standard formal manner as well as taking informalities into account.

(6) First impression is mentioned to be key in sales and to build an image of competency at the client organization; preparatory work can in turn help provide consultants with the prerequisites to make a solid first impression.

> *"My preparatory work gives client value. In sales being able to act on the first meeting, so I don't just ask obvious questions like "what kind of company are you?" and the sponsors think "what kind of f***ing idiot is this?". Preparatory work is essential in this regard." – Cs*

(6) Usually the opportunity cost to preparatory work would consist of parallel assignments or a need to start delivering client value as soon as possible, thus limiting the time available to conduct preparatory work.

> *"You can always do more preparatory work, but the question is if it is worth doing. Of course, you can read up on the structure more, and identify key individuals within the client organization, but you rarely have the time to do so." – Aj*

(6) A risk mentioned was that preparatory work could result in a sunk cost, especially in the case where it was to be conducted pre-sales. If extensive preparatory work was conducted before landing a contract the effort would in turn be essentially wasted if the consultant was not hired.

(5) One method that a few consultants referred to in order to better understand informalities in the client organization was establishing a good relationship with specific individuals. A "go-to" that could in turn introduce the consultant to the more ambiguous informal conditions of the workplace. This does increase the risk of having a subjective or skewed understanding however, and was viewed as a helpful, but auxiliary asset in understanding informalities.

(5) One desired effect from preparatory work was acquiring an image of the corporate culture in the client organization, to let the consultant more smoothly blend in with the client organization.

(4) A few consultants considered informalities important, but too ambiguous to be worth investing time into at the start of an assignment. That it was not worth it to expend time at preparatory work related to informalities.

"It has to do with how interested you are, some people like to know everything and gossip, others stay true to their work and focus on their job." – Xb

"Of course, I learn to understand it as time passes, but I do not let it affect my time plan or what actions I take, that learning gets to come parallel to my normal work." – Xc

(4) To get a basic understanding of the people in the client organization or project was also mentioned, to kind of jump-start interpersonal relationships before the assignment begins.

"If you are someone that people like to talk to or grab a coffee with you will get faster replies." – As, talking about an overflowing email inbox

(3) Having better interpersonal relationships, getting along better was associated with in turn delivering a better result at the end of the assignment as well. Using preparatory work to facilitate this could then in turn enhance customer value indirectly.

4.1.2 Corporate Politics

Code	Total	Statement
		Corporate politics
Aj, As, Bs, Cj, Cs, Xc, Es, Ds, Ej, Xa, Xb	11	Negative effect of corporate politics: It costs time
As, Cs, Ds, Cj, Xc, Xa, Xb, Bj, Dj, Es	10	It's profitable to take informal leaders into account
As, Bs, Cs, Ds, Es, Bj, Cj, Ej	8	There's always informal hierarchy
Aj, Cj, Cs, Ds, Es, Bj, Dj, Xc	8	Negative effect of corporate politics: Company best is not the first priority
As, Aj, Bj, Ds, Xb, Dj, Xa	7	Less people, more formal -> Less informalities
As, Bs, Cs, Xa, Es, Ej, Xb	7	Informal communication occurs at all levels of the corporate hirerarchy
Bs, Bj, Cs, Es, Cj, Ds	6	Informal hierarchy is the same regardless of level in the corporate hierarchy
Aj, Bs, Xc, Xa, Xb, Cs	6	You find informal commnunication channels over time as you get to know the organization
As, Aj, Xb, Es, Dj, Bs, Ej	6	Negative effect of corporate politics: It's difficult to find reliable information
As, Bj, Xa, Xb, Xc, Cs	6	It's profitable to take informal communication channels into account
Ej, Aj, Bs, Bj, Cs, Dj	6	Informalities are tightly connected to corporate culture
Xa, Xc, Cs, Bs, Es	5	Dysfunctional formal structure - > More informal structures
Aj, Bs, Cs, Xc, Ej	5	Negative effect of corporate politics: The focus of the project becomes suboptimal
As, Bj, Xc, Ds, Dj	5	Method: Confront the informal leader, in an investigative manner
As, Xb, Ej, Es	4	There are a lot of people that want their opinion heard at higher levels in the corporate hierarchy -> More coprorate politics
Xa, Xb, Ds, Dj	4	You can't circumvent informal hierarchy, you need to confront it.
Es, As, Ej, Ds	4	You need to actively particiapte in the internal politics
Bj, Cs, Ds	3	Informal decisionmaking does not work at a high levels in the corporate hierarchy
Xc, Cs, Es	3	Method: Reduce informal communication by replacing it with good formal communication
Xa, Xc, Cs	3	It is generally not worth investing time into internal politics
Ej, Aj, Cs	3	As a consultant it is extra important to ground your work in the formal structure for decisions/documentation
Es	1	Informal Hierarchy is viewed differently depending on perspective
Xc	1	Method: Corporate politics can be used to facilitate change

Figure 12: Compiled statements regarding corporate politics.

(11) The most recognized risk of corporate politics within the client organization is the various manners this affects the time-plan negatively. Overwhelmingly the interviewees considered the issue time-consuming.

"Part of the value of hiring a consultant is to get rid of corporate politics and personal influences from a project." – Es

(10) To not only recognize but to also utilize informal leaders is widely recognized to be a very efficient way to enable CVCCO.

(8) One risk of corporate politics is that individuals within the organization might not prioritize the betterment of the entire organization. These individuals may instead be working towards improving their personal position, or the influence of the business unit they are in charge of and/or associated with.

"In my experience there are individuals who try to use projects to elevate themselves within the organization by being critical and pushing others down, it may be subtle but is very obvious when you experience it yourself." – Cj

"Informal power struggles always have a negative effect. You won't be able to get through with your message, there may be hidden agendas and conflicts for conflicts sake. You won't be working towards the goal of the project if you allow these factors to remain in charge." – Aj

(8) Most consultants agreed on the fact that informal hierarchy is always present in organizations. It doesn't matter if you're on the factory floor or on the board of directors; informal hierarchy remains a factor at play.

(7) A substantial number of interviewees agree that informal communication channels are always present in client organizations, at all hierarchical heights of the organizations. However, there were conflicting accounts on whether it was more prevalent with informal communication channels at higher levels or lower levels of the corporate ladder.

(7) The most common of the above-mentioned conflicts in opinion was that the higher the degree of formality and the fewer the people involved (this was implied to be at higher levels in the corporate hierarchy), the less influence could be found by informal structures.

(6) That IBG were tied to the corporate culture was a sentiment shared by many interviewees.

(6) Albeit to a lesser extent than informal leaders, utilizing informal communication channels were also recognized as a way to enhance CVCCO.

"You're going to need to know exactly <u>who</u> to talk to, because the formal channels are not going to help you." – Xc, talking about informal communication channels impact on difficult projects

(6) Another risk of corporate politics was the difficulties in finding reliable information for the consultant to work with. With the risk of change-resisting individuals withholding or giving false information to hamper the change process due to the previously mentioned different motivations, for example personal gain.

"Of course, it may slow down the project and make your life difficult by not allowing you to get access to data, manipulate the data or get others to not want to work with you. – Es, talking about Corporate Politics and Personal Incentives

(6) Roughly half of the consultants mention that they develop an understanding for informalities in the client organization over time, especially informal communication channels appear during the course of the project.

"If you understand the organization then you know who to ask. So you use the informal channels, because it is so f***ing tedious to use the proper channels, since it takes so much time." – Bs

(6) According to roughly half the consultants it doesn't matter what hierarchical height in the organization, informal hierarchy is manifested in the same manner.

"If someone on the board of directors does not buy into the project, or a middle manager doesn't agree with parts of the proposal. Then you won't progress as quickly, it will be substantially slower." – As

(5) In terms of dealing with change-resistant informal leaders several of the consultants suggested confronting the informal leaders in an investigative manner. Doing so would serve dual purposes; it would allow the consultant to figure out if there is any substance to the resistance that needed to be looked into while also being part of building a mutual understanding that later is integral to convincing this change-resistant individual to buy into the suggested change.

(5) One more issue with corporate politics is the risk of focusing on the wrong factors, the above mentioned unreliable information or self-serving influencers may cause the project to derail from the agreed upon objective.

"If you only have one person as a source of information then you might be adopting a very subjective understanding of the client organization. Which could lock you in a mindset difficult to get out of." – Bj

(5) A cause for informal structures to appear can be a dysfunctional formal structure, a number of consultants agreed, with the implication that a functional formal structure would in turn not lead to the same informal structures appearing

"If it's a strict hierarchy and information is supposed to go through specific channels and they don't work, then you (The consultant) need to find a way to get the job done." – Bs

"In poorly constructed formal structure, it is the informal communication channels that makes it work, because the formal doesn't." – Xc

(4) A few interviewees mention that one needs to be active in what they refer to as "the political game" within the client organization. Seeing it was a crucial factor to management in organization with a high degree of informal structures.

(4) A couple of consultants suggest that directly confronting informal structures, whenever they are encountered, is a way of managing ambiguous group dynamics. However, it was mentioned that informalities can be a very awkward subject to raise early in a consultant-client relationship and emphasize building a strong relationship before raising these issues.

(4) A pattern that was mentioned by the interviewees is the correlation of height in the corporate hierarchy with individual affinity for political behavior. Where the political side of the organization becomes increasingly important when acting in higher levels of the hierarchy. It appears that there are more individuals more anxious to be heard at a higher level.

"There are individuals who sometimes choose to send critical emails that concern only a single individual in a project, but then choose to CC to everyone in project in order to elevate themselves while pushing others down." – Cj

(3) Out of the interviewees, a few mentioned the additional importance for external consultants to base their work in the formal structure. Emphasis on finding support for decisions in the formal structure, as well as the added benefit of easier documentation.

"It is very rare that the formal path is the most efficient, if you have an informal path it is often far quicker. But you need to make sure that you use the formal channels when it is required of you to do so." – Xc

(3) To completely abstain from the client organization's corporate politics was the preferred method mentioned by a few of the senior consultants. The main pushing point was that it is rarely worth the time and risk to invest effort in understanding and/or participating in the political "game".

(3) Additionally, a few senior consultants mentioned dealing with informal communication channels by rendering them obsolete. With good formal communication the informal channels supposedly quickly diminish in value and become irrelevant. As to how to exactly achieve this stronger formal communication no specific method was mentioned.

(3) As to informal hierarchy, or more specifically informal decision-making, a couple of consultants mention how at higher levels within the corporate hierarchy it becomes increasingly risky and unsustainable to have so called "corridor calls", where you make decisions outside of official settings and meetings.

(1) When you do identify corporate politics however, one consultant mentions that it can be very beneficial to utilize this knowledge and to adapt accordingly. Essentially facilitating change management through feeding into personal agendas that may otherwise be in opposition.

"Informal people want different things done and that you have to deal with. You give the person a pinky every now and then just to keep it happy. But that can become a problem the more space the individual asks for." – Cs

(1) Finally, a single consultant mentions that the informal hierarchy may differ greatly depending on perspective. Which is a very important difference between it and the formal hierarchy, which is designed to be consistent regardless of perspective.

4.1.3 Deference

Code	Total	Statement
		Deference
As, Bj, Cs, Ds, Xc, Xa, Xb, Es	8	Yes, there's a trade-off between deference and results
As, Aj, Cj, Cs, Xc, Ds, Dj	7	Prefer a straightforward approach
As, Aj, Cs, Bj, Xc, Xb, Dj,	7	Start more blue-eyed and then transition to straightforward
Xb, Bj, Es, Xa, Dj, Ds	6	More straightforward the closer you get to individuals in the client organization
Aj, As, Bs, Bj, Cj, Ej	6	Drawback with deference: It impairs progress
Cs, Xc, Xa, Es, Dj, Ds	6	Drawback with deference: It worsens results
Bs, Bj, Xa, Es, Xb	5	Prefer a blueeyed approach

Figure 13: Compiled statements regarding Deference.

(8) Many interviewees agree that there is in fact a trade-off between showing deference towards stakeholders and achieving results. Beyond those who outright answered yes, the others chose to emphasize that deference towards stakeholders was a necessity towards

achieving good results, or any results for that matter. These consultants did reference a correlation, but one that wasn't necessarily a trade-off except in very specific cases.

(7) On the matter of blue-eyed versus straightforward roughly half the interviewees were of the opinion that one can maintain an initial blue-eyed approach [4]and then slowly transition towards a straightforward one. One often mentioned reason for this was that while ignorance is usually not an issue early on in a project but that as time progresses you are expected to understand more.

(7) With this said, most of the above consultants and some additional ones said they much preferred to adopt the straightforward approach[5], favoring being transparent to try to establish as much trust and credibility as possible.

(6) As to showing too much deference, several interviewees mentioned that if you were to show too much deference there is a definite risk of the project grinding to a halt. That sometimes the only way to move forward is to ignore some of the identified wants and needs of stakeholders.

"Yeah you get a nice relationship with the client, but you won't achieve any results. You solve a problem that isn't actually the problem at all." – Dj

"Yeah, that's when everything goes to s***t." – Cs, talking about too much deference to stakeholders

(6) This feeds into the next issue with showing too much deference, that it becomes difficult to achieve a satisfying result for the project. By adhering to everything that is requested of you, you may derail the project.

"We try to be nice to people and not confront them. And then we lose momentum. You get hybrid-solutions that aren't fully effective." – Es

"Sometimes you have to say: I'm sorry, but this guy got to go." – Cs

(6) Returning to blue-eyed versus straightforward some consultants mention that oftentimes this depends on the interpersonal relationship between consultant and the client in each specific interaction. Generally, the closer and more established the relationship the more difficult it is to feign ignorance and a straightforward approach is more easily utilized.

"When you really know the people you work with, you tend to get more straightforward with them." – Bj

(5) Finally, the number of consultants said to favor blue-eyed approach were slightly fewer than the number favoring the straight forward approach.

"Especially if you're young you can act a little more on that, -Oh I do not understand why you have this role? Is that part of your responsibility?" – Aj

---

[4] Covered in Appendix A and explained more in the Analysis under 5.4.2
[5] Covered in Appendix A and explained more in the Analysis under 5.4.4

4.1.4 Ambiguity and Insecurity

Code	Total	Statement
		Ambiguity and insecurity
As, Aj, Cj, Cs, Xc, Ds, Xa, Dj, Bs, Ej, Xb	11	It's the consultants job to clarify the project
Aj, As, Xc, Ds, Xa, Xb, Bj, Es, Ej, Dj	10	Cause of ambiguity: The client has failed to clarify the consultants objective, roles and responsibilities
Aj, Cj, Cs, Xc, Ds, Xa, Dj, Ej, Xb	8	Method: Manage ambiguity through transparent communication
Aj, As, Bs, Bj, Cs, Xb, Ej	7	Cause of ambiguity: The client does not know what it wants
As, Ej, Dj, Bs, Cs, Es, Ej	7	Negative effect of ambiguity: The wrong actions are done
As, Xa, Xb, Xc, Es, Ej, Cj	7	Negative effect of ambiguity: Time is wasted
Cj, Xc, Xa, Xb, Es, Bs	6	Method: Raise the issue towards management, ask them what to do
Bj, Bs, Ds, Xa, Xb, Xc	6	Method: Work towards creating a personal network within the client organization
As, Bj, Xa, Es, Ej	5	Cause of ambiguity: Different individuals have different ideas of what the project is about
As, Bj, Xb, Cs, Ej	5	Negative effect of ambiguity: You end up having to investigate whether or not you're acting on subjective information
As, Bs, Cs	3	Method: Identfy competence leaders
As, Xc, Ej	3	Method: Phoenix Method, make a pitch and see what's burning
Xc, Xb, Xa	3	Cause of ambiguity: Cultural differences can easily lead to ambiguity
Xa, Xb	2	Method: Focus on the end user and their needs

Figure 14: Compiled statements regarding Ambiguity and Insecurity

(11) Almost every single interviewee mentions that in terms of dealing with ambiguity it is expected of the consultant to further clarify the project it has been assigned to. The general sentiment being to treat ambiguity as an integral part of the project, not as an external issue affecting the project.

"I am often there <u>because </u>the client is insecure; I am there to solve that issue <u>for them</u>." – Xc

(10) Tying into this is the next statement, a majority of consultants' experience that a common cause of ambiguity has to do with the client's failure in specifying the consultants' role, assignment and responsibility.

(8) The most mentioned remedy to ambiguity and insecurity is functional and clear communication. Additionally, interviewees emphasize the importance of raising issues as early as possible to reduce the negative impact of said ambiguity and insecurity as much as possible.

(7) One of the main issues of ambiguity and insecurity is its effect on the time plan in general. Roughly half the consultants mentioned that the main struggle when dealing with these phenomena is staying on schedule with the project as a whole. Often times this may be due to ambiguous conditions leading to a faulty time-plan from the start.

(7) Another issue with equally many mentions was that work might progress in the wrong direction. The consultant may end up working towards the wrong goals, or in the wrong channels resulting in wasted effort with limited or no contribution to customer value.

(7) Another cause of ambiguity might be since some clients do not themselves know exactly what it is they want or need. This can be a fundamental flaw to an assignment which can manifest as both the cause and the result of substantial amounts of ambiguity.

(6) In terms of methods, about half the consultants advocated for cultivating and utilizing a personal network within the client organization. In turn using this network to clear up ambiguity and facilitate communication with the client organization.

(6) The other method mentioned was to continually lift the issues upwards in the corporate hierarchy, trying to clear up ambiguity with the sponsor of the assignment. This had dual purposes, it communicated the problem to the sponsor at an early stage and gave easier access to the resources necessary to solve the problem.

(5) One cause of insecurity was when individuals had different perspectives and opinions on the project, in other words, different stakeholders had different ideas of what the consultant was there to do. To complete the assignment by everyone's standards in turn becomes exponentially more difficult.

"In my experience ambiguous conditions in a project are often caused by an already existing ambiguity in the client organization. In other words, different individuals have different opinions regarding what the problem actually is and how to manage the problem. There are different values and priorities as to what is important, that different aspects of the issue are important depending on perspective" – Es

(5) Related to the above cause of insecurity was the issue of the consultant needing to investigate whether or not the information supplied from the organization were based on too much subjectivity. Several consultants mention that sometimes it can be very difficult to maintain an objective understanding of the organization when relying on data sources that are innately subjective, this forces the consultant to cross-reference and double-check themselves instead of working towards contributing additional client value.

(3) One cause of ambiguity mentioned by a few interviewees were cultural differences related to encountering new cultures. These cultural differences were said to further contribute to the likelihood of ambiguity in the workplace for the consultant.

(3) One method mentioned or referenced by a few consultants were to make a number of quick assumptions and then present it to the stakeholders in the project. This gave immediate feedback, often negative, that one can extrapolate valuable data and in turn develop a better understanding of an ambiguous project.

"Either you spend a lot of time to understand informalities or you let them come to you."– Xc

(3) Some consultants mention finding competence leaders within certain organizations, suggesting that in these organizations the most competent engineers were also informal leaders. In turn these individuals are integral not only towards understanding the organization but also to achieving customer buy-in in whatever solution that the consultant aims to implement.

"Nah but Pelle on the third floor, he's super good at this, check with Pelle. I would never have found him in an organizational map. But someone knows Pelle and knows that Pelle knows his stuff, that's really useful. – As

(2) Finally, a couple of consultants mention that when faced with ambiguity try to focus on whoever the final customer is, whoever is going to use the product or service in question. Using their perspective one can develop a solution that is very likely to deliver value accurately despite working without a complete image of the organization.

4.1.5 The Junior and Senior Perspective

Lastly, the junior and senior perspectives were evaluated to see if there were any substantial differences between them. The measurement used was the amount of junior codes and senior

codes, or mentions, associated with each statement that were included in the final iteration of the analysis, normalizing the numbers of each to make a fairer representation. Overall each theme had a fairly consistent response frequency, with each theme having an average of 5.3 to 6.4 mentions per statement. Juniors responded more to the preparatory work section with 10% more mentions and responded 30% less under the corporate politics theme. Beyond this several statements had substantial differences between the frequency of junior and senior mentions, the ones decided to be interesting for analysis were:

4.1.5.1 Preparatory work:

- Juniors are keener towards preparatory work, but more likely to overdo it, mentioning waste of preparatory work to a higher extent.
- Juniors are also more anxious to make a strong first impression, stressing preparatory works importance towards managing to impress early.
- Seniors on the other hand were more aware of the risks of getting the wrong impression from preparatory work.
- Seniors emphasized finding a reliable go-to in the client organization.

4.1.5.2 Corporate politics:

- Seniors were far more likely to reflect upon developing an understanding for informal communication channels.
- Seniors also shared the sentiment that it was worth adapting to these informal communication channels.
- Lastly, senior consultants appeared to have more experience of encountering informal structures as a product of a dysfunctional or failing formal structure.

4.1.5.3 Deference:

- Most of the junior consultants had experience with failing to progress when showing too much deference.
- The naive approach was favored mainly by seniors, with most of the juniors preferring the straightforward approach.
- Seniors appear to view it as a matter of the total result of the project hurting from a show of too much deference, and not in the more specific case of lack of progress.
- Most seniors immediately answered that there is often a trade-off between deference and results, while juniors were more inclined to reason forward a way to include both.

4.1.5.4 Ambiguity:

- Seniors were readier to lift issues higher up in the corporate hierarchy, some even reflecting that if they were to give their younger selves some advice it would be to do so earlier.
- Seniors also appear more inclined to grow their personal network within the client organization.

4.2 Follow-up phase

In the follow-up questionnaire 9 out of 13 responded, roughly 70% of the consultants interviewed.

The four initial questions asked were on the following subjects:

1. Whether or not our respondents would favor investing time in understanding informalities or prioritize providing more explicit client value as soon as possible.
2. If they agreed with the statement: It is <u>extra important</u> for an external consultant to base their work in the formal structure of the client organization.
3. Who they would prioritize between the end user and the sponsor of the project.
4. Whether or not they would be willing to utilize corporate political methods to leverage their work at the expense of an individual in the client organization.

The results where the following:

1. In the first question no bias was found. The allocation of answers five in favor and four against, and there's no discernible difference between juniors and seniors.
2. Eight to one shows a strong majority connecting consultant work to the formal being extra important.
3. Overall the stakeholder priority is also split down the middle, with a three, three and three splits between sponsor, neutral and end user. The one interesting point being that no one were inclined to entirely favor the sponsor by selecting the extreme value one, but two were willing to entirely focus on the end user by selecting five. Juniors were far keener on focusing the end user, while the seniors tended to be more mellow, focusing on the sponsor.
4. Using corporate politics were also split along the middle, with a minor favor towards not using it, with a single person selecting that extreme value. Junior and senior were similarly even.

Finally, we asked the respondents to evaluate what we call the "Phoenix method" described in chapter 2.4 above. Overall the feedback was similar, and rather the priorities that differed between respondents. The arguments for using the method was speed, its ability to clear out ambiguity and to facilitate stakeholder involvement early in the design. The arguments against using it was that it may hurt the client's view of the consultant, saying they might view the consultant as naive or unprofessional. Due to its limited application towards informal factors we then decided to not invest more into the method for the study.

5 Analysis

Essentially every source, empirical or theoretical, agrees that informal factors have substantial impact on CVCCO. However, there are situations where our interviewees have disagreed with theory, and each other. Thus, beyond reviewing on the cases where all the data is aligned, we will also reflect upon the conflicting opinions, their causes and the implications of these conflicts for the research. Understanding informal factors may have substantial advantages. However, as a consultant it is beneficial to be careful when drawing conclusions and investing time and investing resources into understanding informalities.

In this section we will evaluate our empirical results using the theoretical framework. Additionally, we will attempt to theorize potential applications of the patterns that have been discovered and reflect on the generality of these patterns. Initially we will present part of our conclusion which is in the definition of informal factors, and the key definition in "informalities". Following the new definitions, each of the research questions one through four will be covered.

5.1 Extending the Definitions

From this point onward, we elaborate on some of the definitions initially presented at the start of the paper. Due to the ambiguity of the subject matter it is important to clearly define the distinctions between the different terms. These terms evolved and became more defined as the study progressed and as we embraced more theoretical and empirical input. In many ways these are part of our conclusion and a part of our scientific contribution to the field. However, since these terms will be needed throughout the analysis and in the designing of the framework they need to be defined, and understood, at the start of the analysis while being a product of said analysis.

Important to note here is that some terms have already been defined earlier in the paper, and up until this point those definitions have been adhered to. However, from this point onwards the following definitions are the only ones referred to when the terms are used in the analysis and conclusion. The reason for this is that the initial understanding, for example the definition of IBG, were based on a more limited understanding of the subject matter. These definitions can thus be regarded as a product of our understanding of the subject evolving over the course of the research.

5.1.1 Consultant's Value Contribution to the Client Organization (CVCCO)

CVCCO will be referred to continuously throughout the analysis and is used as a relative and contextual definition of the value that a client retains from hiring a consultant. This value can be quantified as time, money, quality, or a combination of all three. As such, any effect from informalities that affects any of these factors in turn affects CVCCO. Since every instance of this relationship is unique and dependent on context, a less specific and more overarching perspective can be utilized to discuss phenomena with some measure of generality.

5.1.2 Informal Organization

The informal organization consists of organizational structures that are not explicitly mapped out in the formal structures of a given organization (Mullins, 2007). It may act as an extension of the formal organization; it may act as a reflection of the formal organization or it may act as a replacement to the formal organization (Diefenbach & Sillince, 2011). Using the definitions as Diefenbach and Sillince, we have overviewed different types of organizations in the theoretical framework, and the key takeaway is that there will always be an informal organization, regardless of the extent or type of the formal organization. However, the impact the informal organization may have on an external consultant is highly dependent on the formal organization's structure and by extension the informal factors that act within. These informal factors are identified to consist of four key components, Informal Hierarchy, Informal Leaders, Informal Communication Channels and Informal Gatekeepers who are covered below.

5.1.3 Informal Hierarchy

The most straightforward manifestation of the informal organization is through the informal hierarchy, usually displayed as subordinate-leader relationship not expressed through the formal hierarchy (Diefenbach & Sillince, 2011). Sometimes even contradicting the formal hierarchy in organizations where subordinates may outpower their managers through informal influence. The positioning of different individuals in the informal hierarchy can often be based on interpersonal relationships, relevant expertise or seniority (Diefenbach & Sillince, 2011). While it is difficult to get individuals to explicitly explain this hierarchy, it is often tacitly understood. An example of this would be in a medical ward, where among the nurses the elder is often found to be the spokesperson for the group, being close to an active manager despite not having the title or formal authority.

5.1.4 Informal Leaders

The individuals who continually tend to be the leaders of subordinate-leader relationships within the informal hierarchy are referred to as informal leaders, a phenomenon often encountered by the interviewees. Depending on the formal structure these individuals may have substantial influence on any organizational activity, for example change management. The reasons behind positioning in the informal hierarchy mentioned above can also be used to explain reasons for informal leadership. Depending on the specific situation the influence and power of these informal leaders may vary from highly limited to highly influential, which could warrant them being considered a key stakeholder for an external consultant in a project.

5.1.5 Informal Communication Channels

These channels represent the different ways all informal communication moves throughout the organization. A general distinction of informal communication from formal communication is that it does not depend on or is regulated by formal policy, it is not officially documented, and it is not recognized or mapped out in the formal structure of the organization.

"In poorly constructed formal structure, it is the informal communication channels that makes it work, because the formal doesn't." – Xc

While these informal channels also include the miscellaneous ways of communicating in any social environment there are more obvious, and more impactful, manifestations. An example

is "talking at the watercooler", where individuals often share opinions and thoughts about the company in general. Informal communication channels are one of the primary forums which informal leaders act within the organization, especially when they act as opinion leaders where they could affect the general sentiment of large parts of the organization (Martilla, 1971).

5.1.6 Informal Gatekeepers

An informal gatekeeper is best explained through its distinction from an informal leader. While in general they act in a similar manner, influencing the organization disproportionately to their formally allotted influence, they are generally more dependent on specific organizational structures and not their own inherent influence. For example, while an informal leader may be a person with substantial experience or expertise controlling the sentiment towards an innovation, a gatekeeper could be the secretary that decides whether a proposition to implement said innovation ends up at the top or the bottom of a decision maker's inbox. As such, the distinction is that while a gatekeeper may have substantial influence on an organization, their influence is reliant on a leveraged position within the organizational structure and not their individual position in the informal hierarchy.

5.1.7 Corporate Politics

Corporate politics, corporate political actions or the corporate political game, refers to where personal incentives or informal culture influences individual decision making. In turn, this may lead to decision making that is not in line with corporate strategy.

While recognized to be multifaceted, corporate politics will be treated as a single factor in the framework since specific factors that contribute to corporate politics are intangible and/or unapproachable for an external consultant to affect, and thus outside the scope of this research. They do warrant a brief review which is done below.

5.1.8 Personal Incentives

An important factor to recognize in corporate politics is the influence of personal incentives. In the general case, an individual may perceive and pursue an opportunity for personal gain that does not adhere to or depend on corporate policy. The consequence of such decisions for the organization may range from positive or harmless, to devastating. In our definition the general case used is that they lead to a suboptimal decision, a negative effect for the organization (Ferris et al., 1996). Personal incentives can also be a primary motivator towards engagement in the corporate political game.

"There are individuals who sometimes choose to send critical emails that concern only a single individual in a project, but then choose to CC to everyone in project in order to elevate themselves while pushing others down." – Cj

5.1.9 Informal Culture

The informal culture can be referred to as the natural extension to the formally designed culture. The manifestation of informal culture that is of interest to this study is when informal culture may have substantial influence in the rules of the corporate political game. For example, defining the kind of corporate political activities that are acceptable and what kinds of activities ostracize individuals in the informal hierarchy. This can be very relevant regarding the magnitude of corporate political impact on the organization as a whole.

5.1.10　Informalities

Due to the case-by-case nature of this subject matter a definitive approach in the definitions does not suffice. Considering this we have chosen to take a step back, viewing the different factors in the informal organization and corporate politics altogether under another definition called informalities. When this word is used it represents the relevant informal factors to the case in question, which may differ over time and the usage of the word. In general, informalities can be defined as the informal factors that may affect the consultant's ability to contribute value to a specific organization, in a specific context. Since informalities are the product of complex organizational or interpersonal relationships, trying to approach informalities in absolutes would hollow out the general applicability of the research.

Instead, we have chosen to take a step back by using this more general definition of informalities, tasking the reader to interpret and apply the term in the context used. This is necessary to be able to discuss and analyze surrounding concepts, without being held up in semantics regarding specific contextual information.

5.2 Research Question 1 (RQ1)

How can an external consultant identify and understand IBG?

When conducting the analysis, we quickly discovered that focusing on the concept of IBG would be too narrow to make a real contribution towards understanding informal factors from the consultant perspective. Therefore, we will utilize the concept of informalities introduced above in its stead. The first part of our analysis concerns creating an initial understanding of the different informalities at play in a client organization, focusing on those recognized to likely have the biggest impact on the external consultant.

Informalities are by nature ambiguous, and our results show no different. Our interviewees appear to have a tacit understanding of the subject that exceeded their ability to discuss it explicitly. Most recognize the importance of understanding informalities, but few were able to reflect over their own efforts towards doing so. In this part of the analysis we will review different informalities and the different ways a consultant can attempt to understand these informalities. Finally, we will model the informalities and their relationship to each other and CVCCO.

5.2.1 Ambiguity and Understanding Informalities

Informalities are considered difficult to grasp by the interviewees in general. However, it becomes even more difficult to understand when the basic formal conditions of the assignment are ambiguous. Additionally, the relationship between informalities and ambiguity is two-sided, whereas ambiguity may increase the likelihood of informalities, ambiguity may also be the product of informalities.

"In my experience ambiguous conditions in a project are often caused by an already existing ambiguity in the client organization. In other words, different individuals have different opinions regarding what the problem actually is and how to manage the problem. There are different values and priorities as to what is important, that different aspects of the issue are important depending on perspective" – Es

Almost all the interviewees reflected on the difficulties that may stem from a client failing to clearly communicate the parameters of an assignment. The issue may stem from the client not establishing what the consultant's role and responsibilities are, or it may be the assignment itself that is ambiguous. Another situation described by the interviewees is when the client might not even know itself what it wants to achieve, or what its organization needs. Also, situations where there are different interested parties and stakeholders with different views on the project, for example, the sponsor and the final user might have different opinions on what the end product's purpose is. Essentially every interviewee saw sorting out an ambiguous assignment's condition, defining it and communicating it to the client as the consultant's job. However, given the possibility of a relationship between ambiguity and informalities it may warrant identifying informalities as part of this process.

"I am often there <u>because </u>the client is insecure; I am there to solve that issue <u>for them</u>." – Xc

5.2.2 The Informal Organization

The definition of the informal organization used for our research is based partly on Mullins version from his 2007 book and Diefenbach and Sillicine's article from 2011, and in general the interviewees seem to agree with this definition. One very important factor is the dynamic

nature of the informal organization; multiple interviewees mention that the informal forces at play may change very quickly. Since the informal organization is dependent on interpersonal relationships, it is only natural that it may change as quickly as human relationships towards each other may.

During our interviews most of our interviewees appeared to have quite a relaxed attitude towards the informalities in client organization. The sentiment that many shared is that due to the uniqueness of each specific organization's informal factors, attempting to generalize and methodize the identifying of these factors to be a lost cause. Instead most appear to rather trust implicit analysis and tacit experience over specific methods.

"Of course, I learn to understand it as time passes, but I do not let it affect my time plan or what actions I take, that learning gets to come parallel to my normal work." – Xc

While Gibbons and Kaplan (2015) state that one cannot use the same scorecard to understand different organizations, they imply that the process towards creating the scorecard can be more generally applicable, even going further to stress that the actual process in and of itself may directly facilitate changing the organization. As such, while many interviewees do not seem to feel comfortable in generalizing identifying the informal organization, our conclusion is that it may prove valuable in attempting to do so. Again, as said by Peter Drucker: *"If you can't measure it, you can't manage it!"*.

Most of our interviewees agree that an organization with little or dysfunctional, formal structure is likely to display a higher degree of informalities. This is in line with Diefenbach and Sillince (2011) who continue to suggest that the absence of formal hierarchy doesn't mean that an organization is necessarily flat in and of itself. On the contrary some flatter structures may in turn impose an even stricter informal hierarchy. As a consultant approaching these organizations and attempting change, recognizing and adapting to the informal hierarchy may be imperative to succeeding in delivering substantial client value.

"If it's a strict hierarchy and information is supposed to go through specific channels and they don't work, then you (The consultant) need to find a way to get the job done." – Bs

5.2.3 The Informal Hierarchy, Informal Leaders and Corporate Politics

From Diefenbach and Sillince (2011) theory about informal hierarchy in different organization types, the conclusion can be drawn that knowledge about the client's formal organizational type will make the consultant able to predict some of the magnitude of the informal hierarchy and the volume and impact of informal communication. Oberg and Walgenbach (2008) add that even though many modern organizations emphasize their flat organization and lessened hierarchy, informal hierarchy will still grow by itself and the organization will start to behave more and more like a bureaucratic organization. The interviewees agree with theory that informal hierarchy is always present, regardless of hierarchical level in the client organization or formal structure. However, there is a conflict in opinions among the interviewees regarding whether it is acted out in the same way. Some say, that regardless of height in the formal hierarchy, informal hierarchy always plays out the same. Others say that when viewing the corporate political game, you will often find more numerous and more skilled players at a higher level in the organization. Buchanan and Badham (1999) write about how the concentration of political players increases with hierarchical height in the organization and in line with this our interviewees mention that

often times, individuals at a higher level prove to be more ambitious and insistent on being listened to. If one decides to view political interest and affinity as a trait linked with ambition and advancement it would be only natural that individuals that are politically active and skilled accumulate at higher levels of the formal structure. As such, when approaching an organization at a higher hierarchical level, it may be worth to pay extra attention to possible corporate-political factors. It should be more likely to encounter personal incentives and self-serving behavior at a higher level, and if so it may be more important for the consultant to adapt its behavior accordingly.

"In my experience there are individuals who try to use projects to elevate themselves within the organization by being critical and pushing others down, it may be subtle but is very obvious when you experience it yourself." – Cj

The existence of organizational political behavior is emphasized by Wickenberg and Kylén (2004) who state that there are organizational political behavior in 95 % of the almost 500 Swedish firms they have studied. Buchanan and Badham (2008) research covers a number of factors that might affect how much the organizational political game is played. The more impactful the project is, and the more individuals that are affected and care about the implications of the project, the more likely is the project to be affected by political factors. A few of our interviewees reference this phenomenon indirectly, but no one explicitly agreed or disagreed with this idea. Some saying that change management in general becomes more complicated by the size of the project, but not reflecting on informalities specifically.

5.2.4 Informal Communication Channels and Gatekeepers

Many of our interviewees had not reflected explicitly on the implications of informal communication channels. Those who had, say that it is one of the factors that reveal themselves over time. Continuing, most agreed that these channels have important applications when working within certain organizations, especially organizations where the formal communication channels were failing. Diefenbach and Sillince (2011) mention that in organizations with limited formal hierarchy, when giving way to a more dominant informal hierarchy, it tends to manifest through informal communication channels. Also, Krackhardt and Hanson (1993) write about informal communication networks, and potentially mapping these to better understand informalities within the client organization. The impact of informal communication network on the formal communication network depends on the tolerance of the people's opinion, the amount of people in the network and the number of relations in the network according to Song et al. (2015). Both papers agreeing that there may be substantial benefits to understanding these networks.

"You're going to need to know exactly <u>who</u> to talk to, because the formal channels are not going to help you." – Xc, talking about informal communication channels impact on difficult projects

The individuals who are privy to more information and are given more opportunities to provide input on decisions can have a similar level of control as a manager in a formal hierarchy. Martilla (1971) emphasizes that opinion leaders and informal actors are aware of their own ability to influence other individuals within the organization, when applied in this case the implication is that it is very unlikely that a gatekeeper is unaware of its own ability to affect the workplace, and by extension to affect the consultant's work. As such, when encountering a very relaxed formal structure and a more extensive informal network, a consultant could benefit from additional focus on investigating the flow of information to find these gatekeepers. Given that these gatekeepers are likely to have substantial power in the organization, they may prove to be very valuable for the consultant to identify and to adapt to.

An example of gatekeepers can be found in the area of open innovation. An essential part of open innovation is the idea connectors, who are individuals that interact with their environment and decide whether or not to bring ideas further. They are functioning as a gatekeeper both in the figurative and literal sense managing and deciding over information, choosing what to allow further into the organization (Whelan et al., 2011).

5.2.5 Suggestions and Implications

Most interviewees agree that the informal organization has a purpose in providing the organization with essential processes and structures. The classical example here is the work of rule example, where a dysfunctional formal structure allows a group of workers to indirectly strike, simply by working perfectly by the book (Morgan, 1997). Some of the interviewees mention this as well, that in some cases it is imperative that the informal organization not only supplements but also interprets and replaces the formal, to a certain extent. Weick (2012) also talks about how the informal often increases the effectiveness of an organization, and while a way of managing the informal is identifying and replacing it by formal elements, a consultant need to remember to evaluate the implications of such an action. In some cases, attempting to move away from the informal may in fact reduce organizational effectiveness, and bring with it the difficulties of working against the natural flow of the workplace. It is worth mentioning that the opposite case can also be true. Popa (2010) writes about the EU-council where the informal requirement of unified consensus inhibits decision-making flexibility and speed.

"If you understand the organization then you know who to ask. So you use the informal channels, because it is so f***ing tedious to use the proper channels, since it takes so much time." – Bs

Regarding the timing of informalities affecting projects, Buchanan and Badham (2008) emphasize the importance of the earliest stages, saying that as the project gains momentum these factors become less and less of an issue. This stress the importance of managing to understand and adapting to informalities as early as possible, while understanding may naturally occur over time, the damage could already be done at that point. A few interviewees mention that one of the reasons to hire a consultant may in and of itself be due to informal reasoning. Wilson (1972) writes about several different reasons for hiring a consultant. Specifically, the *"need for strong objectivity and freedom from internal pressures"* can be seen as directly related to informal factors. Frankenhuis (1977) mention that the consultant may in fact be hired due to failing management, in this event the consultant may also need to adapt to the fact that the manager is inept.

"Part of the value of hiring a consultant is to get rid of corporate politics and personal influences from a project." – Es

Being hired for such reasons has a few implications on the consultant's work which is valuable to consider. First of all, it is far more likely that there is substantial informal jockeying going on in the organization. One interviewee mentions that the consultant may be used as a scapegoat in case of failure or for introducing unpopular change. Incumbent players in the organizational politics have a significant advantage by being experienced in the informalities of the specific organization. Transparency may be the most reliable, or only, defense against this kind of foul play by more established actors in the informal hierarchy. Second, the objectiveness of the consultant may be one of the selling points of the consultants, and likely to be of importance to contribute client value.

5.2.6 Modelling Informalities

Concluding RQ1 we can model the different informalities to better display the system these act in. Seen in Figure 15 the model consists of three parts. First the CVCCO, which represents the consultants inherit purpose for collaborating with the client and the value the consultant is expected to contribute in the assignment. Second is the informal organization, here a pattern of a higher degree of generality can be seen, and methods may be more easily applied. Third is corporate politics, affecting both the informal organization and CVCCO.
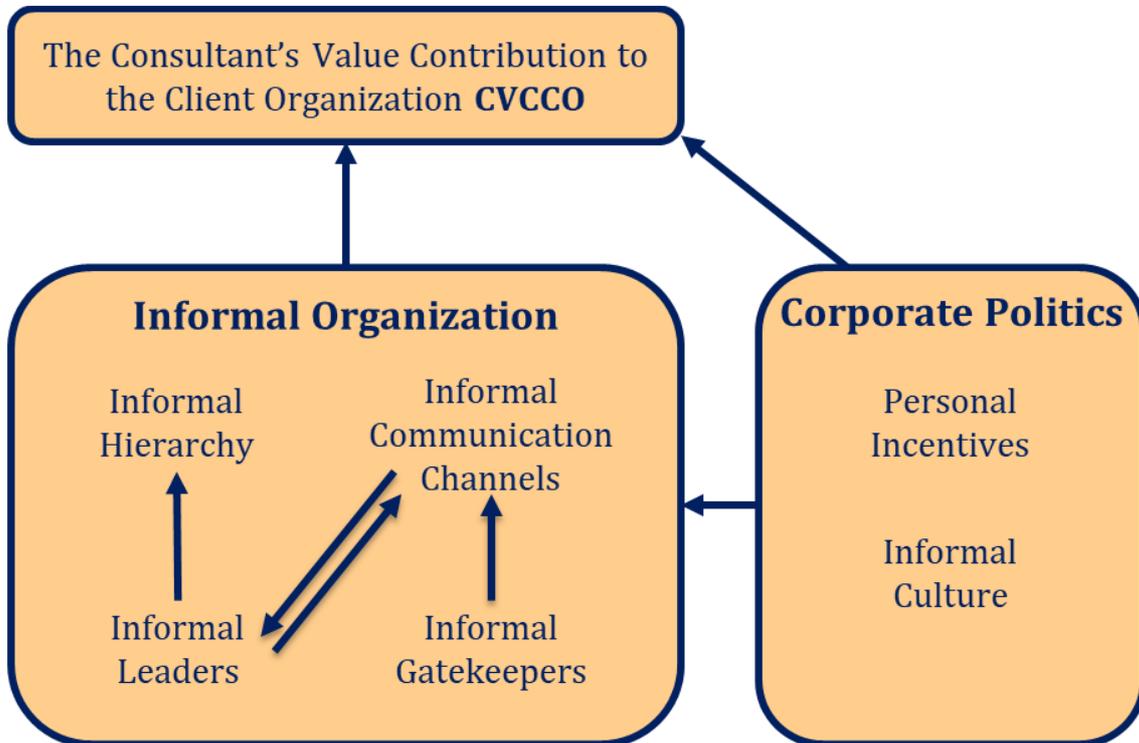
Figure 15: All informal factors that have effect on CVCCO and how they affect each other.

5.3 Research Question 2 (RQ2)

What patterns can be found in the way IBG affect CVCCO?

Again, using the scope of the way IBG affect CVCCO were found to be limiting to the study, as such the concept of informalities is once again used instead. After identifying and defining informalities the next step is to gauge possible relationships between the informalities, and their effects both on each other and on CVCCO. Predominately we will discuss the various ways that CVCCO can be negatively affected by informalities and a few ways that informalities may have a positive effect on CVCCO.

5.3.1 Informalities General Effect on CVCCO

The essential issue of managing informalities is their ambiguous nature and the difficulties to acquire knowledge about it. Thus, possessing knowledge about informality turns out to be a competitive advantage and a value creator for the consultant say both the empirical data and theory. Wickenberg (2004) emphasizes the importance of informality and states that it frankly is damaging for a project leader to not obtain knowledge about the informal organization. However, the interviewees do not agree on the magnitude of the positive effects of possessing knowledge about informalities. Some interviewees argue that the process of obtaining understanding informalities is not worth doing. Saying it is too difficult, that it takes too much time and that, since the knowledge will eventually be obtained anyway, there is no point to actively work towards obtaining such knowledge. Rather that it is better to immediately aim to deliver customer value by working towards the end-product. However, other interviewees are in line with theory and recognize the direct effects that knowledge of informalities may have on CVCCO and emphasize obtaining such knowledge early in the project.

"My preparatory work gives client value. In sales being able to act on the first meeting, so I don't just ask obvious questions like "what kind of company are you?" and the sponsors think "what kind of f***ing idiot is this?". Preparatory work is essential in this regard." – Cs

The relationship between the consultant and the client is essential for a successful relationship and a high creation of client value. Mentioned by our interviewees, in the initial phase found in Appendix A – Detailed description of the interview process, the interviewees define a good assignment as one which had a nice process and a good relationship with the client. Both the interviewees and McGivern (1983) emphasize that it is qualitative factors during the project process that determine a successful relationship. None of the clients McGivern had interviewed mentioned any end results or quantitative factors for evaluating their consultant's effort. Focus is clearly not on a quantitative measure but on qualitative factors. This has led us to believe that CVCCO can be strengthened if the process of the project is experienced better, which is partly achieved by creating trust and confidence between the client and consultant. Informalities have a strong effect on qualitative factors and may have a large positive effect on the project process, showing the consultant to be more reliable if handled correctly. McGivern (1983) continues and says that the power to manage the relationships lies with the consultant. This is not mentioned by the interviewees who instead emphasize the circumstances of the project as the key influence on the relationship. As McGivern's theory say it is the consultant's job to maintain and feed the client consultant relationship, the consultant thus has an opportunity to ensure that the relationship is as good as possible, which in turn affect CVCCO.

5.3.2 Effects of Informal Organization

Lacking knowledge about the client's informal organization may increase the difficulty of establishing personal relationships with the individuals in the client organization, which likely decreases CVCCO. Without understanding the informal organization, the consultant may also risk harming its relationship with the client. Furthermore, it may increase the 'takeoff' time for the consultant in the project. In other words, lacking an understanding for the informalities in the client organization may postpone the starting point of creating actual CVCCO, and thus negatively affecting the final CVCCO of the project.

"When you reach a certain level of basic understanding of the client organization everything becomes more interesting. If you're starting from square one and don't understand what the client is saying it becomes much more difficult to further develop an understanding of the company. – Es

While knowledge about the informal organization may counteract many of the above issues, there may also be negative effects regarding the usage of such knowledge, said interviewees. There is a risk that the information is subjective and the views of a single person. Mullins (2007) says that the informal organization is dynamic, that the characteristics of it changes over time, which supports the statement said by an interviewee, that knowledge about the informal organization is a perishable and that experiences older than a couple of years may not be representative.

"If you only have one person as a source of information then you might be adopting a very subjective understanding of the client organization. Which could lock you in a mindset difficult to get out of." – Bj

5.3.3 Effects of Informal Hierarchy and Informal Leaders

Talking about informal hierarchy and informal leaders with the interviewees were not straightforward. Some had strong beliefs of what it is and how it should be handled when others had a more diffuse picture and didn't urge any handling of it at all. The main effect of informal hierarchy on CVCCO is indirect, which is when it manifests itself through informal leaders. The literature clearly states that informal leaders do have effect on the company business and therefore on the consultants working there too. An informal leader can interfere with the consultant and this is likely to reduce CVCCO. It can be manifested through actions such as changing the sentiment against the project and using its informal power to delay or block the project. As informal leaders know that they are informal leaders and the fact that they do act upon that knowledge indicates that this is a considerable effect. Therefore, it is necessary as a consultant to understand the dynamics of informal hierarchy (Martilla, 1971; Pettigrew, 1975; Webster, 1970).

5.3.4 Effect from Informal Communication Channels and Informal Gatekeepers

Informal communication is critical for an organization to handle a crisis and the foundation for cross divisional work to succeed (Krackhardt & Hanson, 1993). Informal communication may have a positive effect in reducing opinion clusters and facilitate in shifting the company culture in change management Song et al. (2015). Thereof informal communication channels may increase efficiency and be integral when trying to change a company. However, from the external consultant's perspective, increased informal communication generally adds complexity and ambiguity, which can have negative effect on CVCCO.

Informal communication channels give rise to informal gatekeepers. Although, their influence is limited to the specific processes their positions happen to be in control of, they may have substantial negative influence on CVCCO by limiting essential communication flow in the organization. This contributes to the need to better the consultants understanding of informalities in the client organization.

"Of course, it may slow down the project and make your life difficult by not allowing you to get access to data, manipulate the data or gets others to not want to work with you. – Es, talking about Corporate Politics and Personal Incentives

5.3.5 Effect from Corporate Politics

Corporate politics may affect the consultants work and projects in several ways, but it is almost exclusively perceived as a negative factor by the interviewees. Overall, beyond affecting CVCCO directly, corporate political factors may exacerbate the effects of the informal organization on CVCCO.

"Informal power struggles always have a negative effect. You won't be able to get through with your message, there may be hidden agendas and conflicts for conflicts sake. You won't be working towards the goal of the project if you allow these factors to remain in charge." – Aj

As such, corporate politics may affect CVCCO indirectly, for example through incentivizing informal leaders to interfere with project work. In this way the agenda of the project may be influenced, resulting in a skewed focus of the project. When this happens, the project may stop serving the company's best interest but instead the personal interest of an informal leader in the project. This likely leads to suboptimal actions being taken and a suboptimal end-product being developed from a corporate perspective. This insecurity creates a need to check the veracity of the information used, say the interviewees. Together with the risk of working in the wrong direction, this makes the project take longer time, and therefore leads to reduced CVCCO.

"If someone on the board of directors does not buy into the project, or a middle manager doesn't agree with parts of the proposal. Then you won't progress as quickly, it will be substantially slower." – As

There may exist different interests between people and divisions who all request the project to be more aligned with their current situation. Thusly, to be able to keep focus on the company's best interest the consultant may have to compromise. This is a scenario that the interviewees describe and explain that there is a limit to the amount of compromises that can be made. If everyone's request is listened to, and deference is given to all stakeholders, the client value will be reduced, which is a common phenomenon, referred to as "scope creep". The reduction can manifest in two different ways, either the project doesn't develop further and gets locked down or the project finishes, but the quality of the result is low.

"Yeah you get a nice relationship with the client, but you won't achieve any results. You solve a problem that isn't actually the problem at all." – Dj

*"Yeah, that's when everything goes to s***t." – Cs, talking about too much deference to stakeholders*

5.3.6 Concluding RQ2

Figure 16 shows the different ways that informalities may affect CVCCO discovered in the research. The key take-away is that there is almost always ambiguity surrounding these effects, that the effects on CVCCO may not be obvious but are likely to be very real.

Figure 16: Compiled table showing the different effects informalities may have on CVCCO

5.4 Research Question 3 (RQ3)

What different approaches are available for consultants to manage IBG?

When comparing different approaches, we yet again found IBG to be too narrow a concept, as such it is replaced with informalities throughout RQ3. The different ways of managing the effects described in RQ2 is divided into understanding, circumventing, confronting and utilizing informalities. Which kind to use depends on in which stage the consultant is. It also depends on the specific situation which will be described further under each topic.

5.4.1 Understanding Informalities

The main finding from investigating the interviewees' understanding of informalities is that knowledge of informalities does not make a consultant do more right things, it makes the consultant do less wrong things. In this case knowledge about informalities primarily leads to reducing the possible negative effects of said informalities, which in turn can be seen as a positive effect to CVCCO.

"It is very rare that the formal path is the most efficient, if you have an informal path it is often far quicker. But you need to make sure that you use the formal channels when it is required of you to do so." – Xc

Although the interviewees clearly describe and understand the effects informalities may have, there is as strong conflict in the empirical data whether it is 'worth' to spend time and effort to actually understand them. We do not believe that this comes from a low evaluation of the magnitude of the effects, but from an uncertainty in the evaluation of resources needed to obtain an understanding of informalities. The probably most common risk with researching informalities described by the interviewees is the obvious risk that the process of gathering information about the informalities is done in vain since the information was not useful. That time has been spent researching something that did not create any client value. A risk which is higher when the project is ambiguous, making it difficult to find the right information early, especially when the scope of the project is not fully determined yet. It comes down to a tradeoff between risk and reward of investing time into understanding informalities. This causes diminishing returns on gaining knowledge about the informal organization and at some point, it is not efficient to continue.

"It has to do with how interested you are, some people like to know everything and gossip, others stay true to their work and focus on their job." – Xb

5.4.1.1 Preparatory work

The implications of the dynamic informal organization according to Mullins (2007) is that knowledge about the informal organization and informalities might be outdated already when acquired. Another severe implication of knowledge about informalities is that it can be subjective and originate from only one person's opinion. To deal with this, several interviewees said that they are skeptical to all information they hear and that they want to form their own opinion from their own experiences. Others say that they always counsel at least two persons to eliminate personal unique experiences. Despite this, most interviewees recommended talking to colleagues as a valid method for understanding informalities. The argument from the respondents was that colleagues have been in the same situation and therefore best can distinguish which information that is most useful for someone going into the similar situation.

"If I'm having lunch with a coworker; I say: -I'm going to be working at that department now. "- Oh, then that guy is really good, she has too much to do but the guy knows the stuff. Talk to her, she knows him etc." that usually works really well." – As, talking about talking to colleagues before starting a new assignment

Knowledge about the formal organization can give important insight about what to expect of the informal organization. By looking up how the client's organization is structured formally, the consultant can get a sense of the magnitude and characteristics of the informal organization (Diefenbach & Sillince, 2011). Conducting preparatory work requires an investment of time, all interviewees agree on. Sometimes there is time and extensive work can be done but most often according to the interviewees there is not enough time and the consultant must go into a project less prepared than wanted. But as many consultants have stated, that is part of the assignment for a consultant.

"You can always do more preparatory work, but the question is if it is worth doing. Of course, you can read up on the structure more, and identify key individuals within the client organization, but you rarely have the time to do so." – Aj

5.4.1.2 Early activities

Stakeholder mapping is a method used to identify which individuals that affect the intended project (Brugha & Varvasovszky, 2000; Freeman, 2010). This is a commonly used method before starting a project said most of the interviewees. But when asked about informal stakeholders many couldn't explicitly tell how they locate or identify informal leaders, or that they do so at all. Conducting a stakeholder mapping with a strong focus on the informal is recommended to obtain better knowledge about informal hierarchy and thus informal leaders. By understanding such dynamics, the consultant can reduce interference from unexpected informal leaders reducing CVCCO.

"Nah but Pelle on the third floor, he's super good at this, check with Pelle. I would never have found him in an organizational map. But someone knows Pelle and knows that Pelle knows his stuff, that's really useful. – As

Since informal gatekeepers' lack formal influence, they can be hard to distinguish, but with knowledge about the informal communication channels it is possible to understand who these individuals are. By searching for individuals with influence, but who lack power, informal gatekeepers can be found. If they are external to the project they are nothing to worry about, but if internal they may warrant being managed as ordinary informal leaders.

5.4.2 Circumventing Informalities

While creating an understanding for informalities is ideal, there are cases when this is not a feasible option. There are also cases where even with an understanding of the informalities, the implications of these informalities may warrant evasion over confrontation. In these situations, the best way of managing informalities appears to be to circumvent them entirely. Circumventing informalities does imply that the consultant will need to accept implications to the final CVCCO from informalities by choosing to not confront them. As such, a circumventing approach should be chosen either when the perceived reward of investing resources into investigating informalities is lower than the cost of such an investment, or when confronting informalities does not warrant the risk to the CVCCO (or the consultant) that said confrontation may have.

5.4.2.1 Straightforward approach

Early on in our research we came to the understanding that many of the interviewees appeared to use transparency to avoid having to consider or manage informalities. The straightforward approach implies that the consultant is open with its intentions and transparently expresses its actions and motives. This conveys to the client that the consultant is not driven by any personal incentives and takes no part in corporate politics.

"Either you spend a lot of time to understand informalities or you let them come to you."– Xc

An advantage of this approach is that by using transparency and continuous communication the consultant can work to minimize the risks from ambiguity in the project, which in the case of informalities is useful since they are generally very ambiguous. Therefore, this is applicable when the consultant does not have the opportunity to understand the informal factors at play. By focusing on what is essential for the project, tying into the formal structure thoroughly and avoiding informalities as much as possible the consultant may minimize risk of accountability for informalities affecting CVCCO. Especially in shorter projects this approach may be preferential, when it would be harder to warrant investing time and effort into identifying informalities.

5.4.2.2 The surreptitious approach

A different situation where a circumventing approach is usable, is when informalities prove to be difficult to approach. An example would be when informality conflicts with corporate interests but is aligned with the personal interest of a direct sponsor. In this event one should be vary of confronting this sponsor directly, since it may end up with the consultant ostracized or fired.

"Sometimes, if you understand how it (informalities) work, you can use them to your advantage to get what you want. You can choose to angle a proposition in a manner to suit a specific department in the client organization. To make it sound like they'll be better off relative to the other parts of the organization." – Xc

This less transparent practice of working around the informalities and trying to adapt to them covertly does run the additional risk of being formally questioned at a later stage in the project. While there is risk there is also potential reward in this approach. Leveraging knowledge about the informalities to facilitate the consultants work without being seen as an apparent participant in the corporate political game may have great benefits on CVCCO. However, this relies on having a very good understanding of the different informalities and informal actors at play, since if questioned formally it may be very difficult for a consultant to justify participation in the corporate political game.

5.4.2.3 Replace informal with formal

One method for reducing the influence of the informal organization mentioned by the interviewees was by replacing informal structures with formal, rendering the informal redundant. This can be applied both towards communication channels and the informal hierarchy. Giving an informal leader formal power gives them accountability and allows the organization to assign responsibility to an individual who is already the natural leader of the group. Replacing informal communication channels with formal ones also work to reduce the need for informal communication. The general applicability for the external consultant of this is however quite small. The specific circumstances where an external consultant is able to identify suitable informalities and has the authority/influence to formalize it are rare. Another circumstance that the consultant needs to considered is the risk of reversing the

positive effects of the informalities at play, sometimes a communication channel works more efficiently staying informal (Weick, 2012).

"Informal people want different things done and that you have to deal with. You give the person a pinky every now and then just to keep it happy. But that can become a problem the more space the individual asks for." – Cs

5.4.2.4 Concluding thoughts on circumvention

Many of our interviewees considered the straightforward approach as the default when dealing with informalities. Even the consultants who preferred more covert methods said that the stronger and closer relationship the consultant has with the client the more natural it is to adopt the straightforward approach. When correctly applied, the straightforward approach allows the consultant to create a reliability and trustworthiness when interacting with the client. Trust is, as mentioned by McGivern (1983), Mitchell (1994) and more authors to be one of the most important factors in the client consultant relationship.

"When you really know the people you work with, you tend to get more straightforward with them." – Bj

In the follow-up survey we asked if the respondents consider tying into the formal structure to be <u>extra</u> important as an external consultant, where all but one respondent agreed. It was not explicitly mentioned by the respondents that tying into the formal structures is more important when circumventing corporate politics but that is strongly believed to be the case by the researchers. This is because, if the consultant's approach is to stay out of corporate politics it should be keen on keeping itself to the formal structures and not base any activities on informalities. If in a situation where transparency is not an option the consultant may be forced to covertly adapt to the informal structure, but it is advised to be very cautious in this circumstance. Most of our interviewees appeared to prefer to avoid actions that were reliant on a thorough understanding of informalities or prone to risk. However, we believe that there are situations where the surreptitious approach can be instrumental in maximizing CVCCO.

5.4.3 Confronting Informalities

As mentioned by Wilson (1972) and the interviewees, one of the common reasons for hiring a consultant is their external perspective on the organization, which includes the informalities at play. Sometimes the purpose of the assignment may in fact be to unravel informalities that are negatively affecting the organization, or dissolve informalities preventing the organization from achieving change. In these instances, a confrontational approach can be utilized towards informalities.

"Sometimes you have to say: I'm sorry, but this guy got to go." – Cs

An advantage with confronting informalities is when dealing with corporate-political factors that do not hold up to formal standards. If for example, personal incentives are influencing forces on the project, questioning and confronting the informalities may dissolve them and their effect on CVCCO.

5.4.3.1 The blue-eyed approach

When circumventing informalities most consultants choose a more transparent approach, whereas when confronting informalities, the opposite is true. The Blue-Eyed approach means maintaining an air of ignorance, regardless of actual understanding of the informalities, and confronting the informalities in the project. Directly questioning perceived informal behavior

under the guise of innocence, leveraging informalities from the apparent position of a non-participant in the corporate-political game.

"Especially if you're young you can act a little more on that, -Oh I do not understand why you have this role? Is that part of your responsibility?" – Aj

The reasons for confronting informalities covertly appear to have much to do with the ambiguity of informalities. While remaining an apparent non-participant the consultant is able to minimize accountability and risks associated with questioning informalities. A few consultants claimed that to openly recognize and confront informal factors directly was "weird", especially early in the project. The reason for this is likely that most organizations fail to recognize that corporate political factors do influence their decision-making, believing that they are exempt from such behavior.

Additionally, when confronting informalities tied to personal incentives it may be a sensitive subject, innocent or ignorance can then function as an excuse to make fewer enemies when "stepping on people's toes". This is often relevant when exposing corporate political behavior in a public setting, "accidentally" questioning or pointing out individual behavior misaligned to corporate strategy may lessen an antagonistic reaction.

Acting as if the consultant is unaware of the informalities in the client organization is also a good way to reduce ambiguity in the project since all questions and difficulties can immediately be brought up. This is partly possible because the consultant is new and external and allowed to 'not know better'. This is agreed with by the interviewees who are in favor of this method. However, they also recognize that after some time one must abandon this approach to not appear to be inattentive or willfully stupid.

5.4.3.2 The elephant-hunter approach

As mentioned, after some time the blue-eyed approach is insufficient, and to not harm the relationship with the client, the consultant will often transition to a straightforward approach. However, certain cases may warrant overt confrontation of informalities.

When faced with corporate political resistance most respondents agreed that circumventing the situation is not beneficial for the project as a whole. Rather by confronting informal leaders or political players, so to say, "address the elephant in the room". Covert action on personal behalf does not hold up to transparent scrutiny, a consultant has an opportunity as an external actor to question possible suboptimal status quo, and in doing so help the client organization.

The risks with confrontation if done incorrectly or in the wrong context is that it may hurt the consultant's personal connection to individuals in the client organization, and thus its ability to influence the client organization. In terms of benefits, the first one would be that confrontation can be used both to investigate and to convince, as stated by one interviewee: *"..you convince a person one conversation at a time." – Bj.* Providing the consultant with additional insight into the client organization and why this opposition exists or turn the opposition into a valuable ally. The second benefit is if the opposition exists for covert personal reasons, confronting and transparently communicating allows the consultant to force the opposition to either unveil behavior that is likely against corporate policy, or concede the argument. A final benefit is that the consultant does not require as much of an understanding of what specifically is happening to question it in the name of transparency. It

will be riskier to act without information but sometimes it may be the only feasible action. Developing more of an understanding without confrontation may not be an option.

5.4.3.3 Concluding thoughts on confrontation

Overall confrontation seems to be integral in situations where dealing with informalities is one of the primary sources of CVCCO in the assignment. If there are informalities that the consultant is expected to help the client organization to investigate and possibly dissolve, circumventing these would betray one of the main uses for hiring the consultant in the first place.

"We try to be nice to people and not confront them. And then we lose momentum. You get hybrid-solutions that aren't fully effective." – Es

Elephant-hunting appears to be the faster and more efficient approach, but with considerably more risk. If the concern for informalities is already expressed in the organization, or the consultant is very confident in its grasp of the informalities at play it could be a very useful approach. However, the more popular with our interviewees, and the safer play, is the blue-eyed approach. The ambiguity related to informalities and the relatively high likelihood of not having a complete understanding of informalities at play makes the blue-eyed approach more likely to be generally applicable, for good reason.

5.4.4 Utilizing Informalities

Utilizing informalities has potential for creating higher CVCCO in situations where risks for example getting fired and other threats are low. Situations where the consultant has the ability to take CVCCO from good to better.

5.4.4.1 Utilizing informal hierarchy and informal leaders

Generally, using the people at the client is considered to be a good idea, which is why the consultant should get to know as many people as possible at the client. This gives the consultant an understanding of how to use the informal communication channels, by knowing who to go to when ambiguity or questions arise in certain areas. This is in line with Mullins (2007) who emphasizes that one should build up one's personal network within the organization because then one can receive 'informal' help and the work will proceed smoother. This is exemplified by one of the consultants interviewed:

"If you are someone that people like to talk to or grab a coffee with you will get faster replies." – As talking about an overflowing email inbox

Meeting and networking with people is also a good way to understand informal hierarchy tacitly. Informal hierarchy does not have any considerable effect by itself, but because it always exists, one loses the possibility to utilize it if one stay unaware of it. By understanding informal hierarchy, the consultant is able to utilize power balances already in place within the client organization and thus strengthen CVCCO.

Within a more technical client organization, one that Diefenbach and Sillince (2011) describe as a professional organization, there tends to exist competence leaders according to the interviewees. These are people that have become informal leaders because they have the most competence and thus have answers to most of their colleagues' questions. Competence leaders do know that they hold that position which is why the consultant should use them as go-to in case of questions (Martilla, 1971). This reduces the risk of making a mistake and is a

faster way to acquire information because the consultant immediately gets a more reliable answer.

5.4.4.2 Utilizing informal communication channels

The empirical data agree with theory on the fact that knowledge of informal communication can be profitable. In a strict bureaucratic organization informal communication channels provide efficiency. But it comes with complexity and ambiguity which reduces the rigidity of the organization.

Informal communication is critical for an organization when handling a crisis and the foundation for cross divisional work to be successful (Krackhardt & Hanson, 1993). Knowledge of the informal communication within a company can provide guidance in localizing opinion leaders and individuals who other employees seek advice from.

5.4.4.3 Utilizing corporate politics

Utilizing corporate politics appears to be useful in cases where the consultant already has developed a thorough understanding of informalities in the client organization, which other data suggests would be rare. Here consultants can choose to portray or adapt their work in a manner that plays into informal bias. The risks are if the consultant's understanding is insufficient, or the gambit fails for another reason, its actions might not hold up to scrutiny by the client organization. Additionally, this path does give up one of the strengths of the consultant, and reasons for hiring one, the ability to challenge the status quo as an external actor. Feeding into a suboptimal informality might grow the problem further, which may affect CVCCO negatively. If some informalities appear to be unassailable, or the scope or scale of the project isn't enough to warrant challenging it, the consultant may be forced to play into this path of action. However, abandoning formal transparency does carry additional risk, and most of our respondents appear to prefer the straight-forward for this reason.

Suggested by a few consultants was to leverage political players to facilitate change. One of the follow-up questions in the questionnaire regarded involving oneself in the client organizations corporate politics. The results were inconclusive, an even split between favoring political action and avoiding it. When looking to theory, Buchanan and Badham (1999) are of the opinion that one needs to actively work with corporate political circumstances in mind. That an individual not participating, is essentially likely to be losing out in the political game.

In essence, utilizing corporate politics to facilitate the work of the consultant cannot be generally recommended. Succeeding with it provided benefits but the risk of failing and losing out we assess as very high. If the conditions are right and the consultant is very sure in its assignment it could utilize internal politics, otherwise - stay away!

5.4.5 Consultant Behavior Matrix

While conducting the research, and especially when analyzing the results to RQ3, a few patterns started to emerge on the precipice of the research's scope. We continually found the different ways of approaching informalities to fit within a number of categories, what later became the four different ways of confronting and circumventing informalities covered in RQ3. We started to classify behavior within a two-dimensional matrix, referred to as the consultant behavior matrix, as shown in Figure 17. These behaviors are very dependent on situational context, but we saw that two dimensions could work as a significant step towards classifying and generalizing behavior in a corporate-political context.

Figure 17: The consultant behavior matrix, showing four different approaches depending on if the consultant's behavior is overt/covert and circumventing/confront

It is important to note that this is not a way of classifying consultants, but rather a way of viewing specific situational behavior and classifying that. One can expect most consultants to find themselves in each of the squares in the matrix at some point, depending on different situations and different context. However, the consultant's chosen discipline, or default role in assignments, may indicate how the consultant is more likely to approach informalities, and thus may be useful in further understanding that approach's implications in practice.

The horizontal axis in this matrix regards confronting or circumventing informalities. Whether or not a consultant chose to actively manage informalities by confrontation, or just adapt and endure/work around them through circumvention. The vertical axis regards if consultants choose to openly display their understanding of the implications of their actions within the informal organization or their participation in the corporate political game. In the analysis we cover a different approach that would be aligned with each square, Straightforward in square 1, Elephant Hunter in square 2, Surreptitious in square 3 and Blue-Eyed in square 4, there you will also find each squares strengths and weaknesses. It is important to note that we regard the area within the matrix as a scalar, as such behavior may be classified different in each square depending on how the consultant prioritize within each of the dichotomies.

During our research, we found that most consultants would tend to gravitate towards a diagonal line from the top left to the bottom right corner. Most consultants appeared to be more comfortable in square 1 and 4, likely since these are less reliant on an understanding of informal factors, at least if one wishes to avoid risk.

This means that one relationship between the two dimensions can be established. The more confrontational the consultant is of informalities it the more likely that this consultant is less transparent with their understanding of said informalities. While the more transparent the consultant, the more likely they are to circumvent informalities.

Most consultants appear to occasionally foray out into squares 2 and 3, though they rarely commit fully to said squares. Addressing the informalities in the room, or covertly circumventing informalities in the political game are higher risk approaches. However, in

many ways these forays can be seen as high risk high reward plays given the right circumstances. As before mentioned there are multiple strengths and weaknesses with each approach, and each situational context should be seen as unique and different. Acting on perfect information is therefore essentially impossible; however, it is important to recognize that more risky plays are options which also may be better suited for specific circumstances (covered in the analysis). In these cases, choosing the safer approaches, protected by feigned ignorance or transparence, out of habit may in fact limit the possible CVCCO of the project.

So, in terms of consultant behavior, the one recommendation that we can give is to make a conscious decision to try to stay open-minded and be open to new approaches. Regardless of ethical considerations or interpersonal relationships, inevitably there will be situations where the best way to optimizing CVCCO is outside of the consultant's, and/or the client's, comfort zone.

5.5 Research Question 4 (RQ4)

Are there differences in the way junior and senior consultants view IBG?

During the analysis of the empirical data a few patterns began to emerge between junior and senior consultants. For this reason, some adaptations may be warranted for a junior consultant to fully utilize the methods proposed under RQ3. The differences between junior and senior consultants may need further investigation, which will be reflected upon in the future research section.

This question is outside the theoretical scope of the investigation, being added during the course of the research, so it will be analyzed using only empirical data, focusing on the statements that a difference was shown and were decided to be the most interesting during the data processing.

5.5.1 Preparatory Work

Preparatory work appears to be considered more important by junior consultants, the data suggests that junior consultants are more likely to err on the side of over-preparing for assignments. The main sentiment appeared to be overinvesting time in preparing for the formal parameters of the assignment. This is likely related to the next point, juniors being more anxious towards making a good first impression. One explanation may be the fact that they believe themselves to have more to prove, without the weight of experience to back them up.

Seniors appear more selective with their preparatory work, especially regarding informalities, being more careful in making sure that the work they do provide them with a factual image. Being more aware of the risks of getting the wrong impression, which may also be a product of having more experience and having experience with receiving the wrong information before. Establishing a reliable go-to in the client organization may be more available to seniors who have more client contact and seem more likely to know more what kind of support to expect from the client organization.

5.5.2 Corporate Politics

Regarding corporate politics in general juniors had substantially less to say, especially regarding two areas. Talking about informal communication channels seniors were both more likely to recognize the opportunity to learn more about these channels, and also reflect on using these channels to communicate more efficiently in the workflow. Seniors consultants appeared to have more of a propensity towards being critical of the client organization, again this could be a product of knowing more of what to expect. Seeing the increase in informal structures as an effect of a dysfunctional formal structure requires the consultant to recognize a dysfunctional formal structure, and explicitly be willing to state this. Juniors may not be willing or have the confidence to do so.

5.5.3 Deference

Regarding blue-eyed versus straightforward it was seniors who favored the blue-eyed approach. Most juniors appeared to be more inclined towards creating a credible and capable image with a straightforward approach rather than gaining the possible benefits of the blue-eyed approach. This could be contributed to the junior consultants' additional need to prove themselves in the project.

5.5.4 Ambiguity and Insecurity

The seniors appear more ready to expect support from the client organization, and willing to ask for it if necessary. When facing ambiguity, juniors were less inclined to ask sponsors, or lift the issue higher in the client organization. This could be explained by the fact that many juniors appear to have less supervisory roles in projects, and overall less experience deciding what to do.

On the same note, senior consultants appear to be more aware of the possibilities in expanding their personal network in the client organization. A reason for this may be that many juniors themselves work in assignments alongside seniors, seniors who conduct most of the client interaction. As such, the juniors have less opportunity and less to gain by expanding their personal network.

5.5.5 Concluding Thoughts on the Junior and Senior Perspectives

Overall, it appears that juniors are more at home dealing with preparatory work than other categories, with more frequent mentions than senior consultants by 10%. However, they were substantially less prepared to answer questions related to corporate politics and informal hierarchy, having a representation 30% lower than the senior consultants. One reason for this may be the level of difficulty in these themes. While preparatory work may be very important, it is far more closely aligned to formal structures, and thus less reliant on first-hand experience. On the other hand, knowledge about corporate politics appears to be a product of extensive experience. The conclusion that can be drawn from the overarching difference in representation would be that it would pay off for junior consultants to pay extra attention to informalities like corporate politics, and informal communication channels.

Juniors appear to be keener to prove themselves, to look good in front of the client, and less willing to risk looking bad. Seniors on the other hand appear to be more confident in their own ability and more ready to maintain expectations of the client firm. A few indicators would be building personal networks, finding a go-to individual and being prepared to lift issues, all inside the client's organization. The juniors on the other hand appear to be more constrained by their need to stay on the client's good side.

Seniors' and juniors' perspectives also differ due to differences in client contact. The seniors' perspective is more from a supervisory role, more overarching and less process-oriented, while the juniors' perspective is more from being in a team led by a senior. This difference in roles is important to observe, since it does put the consultant in different exposure of informalities.

The main learning of this perspective would be for junior consultants to spend less time worrying about the client's opinion on themselves personally, and more time worrying on helping the client achieve their goals.

5.6 Case Example: Tina

We have concluded that the practical applicability of our research is likely quite ambiguous. For this reason, we have chosen to make a short case story, where we use the logic of the study to try to clarify a situation involving the management of informalities. This case is purely fictional, but inspired by our interviewees experiences, constructed for the purpose of

exemplifying the research and to show the complexity that informalities management may entail.

The specific case is about Tina. She is a management consultant experiencing issues with communication within the client organization. Different individuals appear to have different expectations of why she is there, and she finds it is not possible to adhere to all of them. Especially the sales manager and the CEO are disagreeing but not when in the same room. This is disrupting her progress and she keeps having to repeatedly realign her goals to different individual requests. She suspects that it is not simply a lack of communication, but corporate political factors that is causing the mismatch in expectations. She decides to approach the CEO and ask the CEO directly about her suspicions. Subsequently she gets immediately shut down.

"We don't have no corporate politics here! Everyone is on the same page!" – CEO

She concludes that any of the overt approaches are not going to work. Instead she tries to confront the sales manager indirectly while staying blue-eyed. At the next board meeting she asks about the different expectations, asking the sales manager with the CEO in the room. Immediately it becomes very uncomfortable at the table and the sales manager quickly realigns to what the CEO expects. She notices that while the sales manager is now on the same page, he is not happy about it. For her purposes this is sufficient, and the project continues.

In this short case, there are three clear instances where Tina must make a decision regarding the management of informalities, each with their own consequences.

First, she decides to approach the CEO directly. If under the pressure of time this may be necessary, or with an understanding manager it may have worked out substantially better. However, a safer approach would be to investigate a bit more, try to figure out the CEO's stance on corporate politics, and try to understand more of the informal culture in the client organization. Then decide what to do next.

Second, she decides to give up the overt approach. While it is easy to do so when getting such a strong negative response, sometimes it may take work to convince individuals of the importance of informalities. And of the fact that they do in fact exists. Of course, to stand her ground she would risk losing the faith of the CEO, or even firing. But in certain cases, this may still be the right call.

Third, she decides to confront the sales manager. While it works out, it may put substantial strain on their personal relationship. If the individual is vindictive he may try to disrupt her further in the course of the project. Another option could have been to once again figure out the sales managers intentions, and then decide whether or not to confront or circumvent them.

This case is of course simplified, there would be numerous factors that may affect in different ways, like the nature of the assignment, each individual involved, the nature of the client organization and the structure of the client's formal organization, among others. However, by taking a step back and focusing briefly on just a small chain of events, we can already see that there are multiple available options that may affect the outcome of this project. That there are consequences to each decision, and as such there is potential for increasing CVCCO by making more informed decisions.

6 Conclusion and Future Research

In our research we have been able to determine that informalities always exist in a client organization and that informalities have effect on the consultant's value contribution to the client organization (CVCCO). We readdressed IBG and introduced the concept of informalities consisting of informal organization, informal hierarchy, informal leaders, informal communication channels, informal gatekeepers and corporate politics. Furthermore, we established that there are patterns to informalities, which in turn can be used to more easily understand both the positive and negative effects informalities can have on CVCCO. Our research has concluded that the main benefits to CVCCO from managing informalities come from the consultant being able to avoid negative effects from informalities on CVCCO. While it is recognized that there are opportunities to produce positive effects, these specific circumstances are rarer since they require an explicit understanding of informalities. On the other hand, corporate politics is almost exclusively perceived as having negative effects on CVCCO, which the consultant may be able to neutralize.

There are multiple ways of approaching informalities and managing them. Initially the consultant should obtain knowledge of informalities and establish an understanding of informalities. While obtaining this knowledge of informalities is difficult, it is an integral part of eventually being able to manage informalities effectively. Due to the ambiguous nature of informalities, knowledge of it is best transferred by word-to-mouth. Our research shows that using colleagues and people at the client is the best way for a consultant to acquire information regarding informalities. An example of a method to understand informalities is to find allies within the client organization, preferably informal leaders, and using these relationships to develop an understanding of informalities within the client organization.

When it comes to managing informalities as an external consultant this research proposes there to be three approaches: circumventing, confronting and utilizing informalities. Each approach has its own strengths and weaknesses, and the choice between them depends entirely on situational context. However, understanding of informalities and the options available should help the consultant make a more informed choice how to approach the informal aspects of each project more effectively. Knowledge of informalities also leads to a better change process during the project which according to both consultants and clients can be translated to increased client value.

This study shows that informalities may have more substantial implications on junior consultants since seniors have tacit knowledge as a product of their experience. Although this is a matter that needs to be further researched to be able to draw more substantial conclusions. Furthermore, as the client has the role of determining and evaluating if the consultant contributes with client value, the client perspective on its relationship with the consultant and on informalities should additionally be further explored.

7 Reference List

Brugha, R., & Varvasovszky, Z. (2000). Stakeholder analysis: a review. *Health Policy and Planning, 15*(3), 239-246. doi:10.1093/heapol/15.3.239

Buchanan, D., & Badham, R. (1999). Politics and Organizational Change: The Lived Experience. *Human Relations, 52*(5), 609-629. doi:10.1177/001872679905200503

Buchanan, D., & Badham, R. (2008). *Power, politics, and organizational change: Winning the turf game*: Sage.

Davis, R. (2014). Tactics for Asking Good Follow-Up Questions. *Harvard Business Review*.

Diefenbach, T., & Sillince, J. A. A. (2011). Formal and Informal Hierarchy in Different Types of Organization. *Organization Studies, 32*(11), 1515-1537. doi:10.1177/0170840611421254

Edmondson, A. C., & McManus, S. E. (2007). Methodological Fit in Management Field Research. *The Academy of Management Review, 32*(4), 1155-1179. doi:10.5465/AMR.2007.26586086

Eisenhardt, K. M. (1989). Building Theories from Case Study Research. *The Academy of Management Review, 14*(4), 532-550. doi:10.5465/AMR.1989.4308385

Ferris, G. R., Frink, D. D., Galang, M. C., Zhou, J., Kacmar, K. M., & Howard, J. L. (1996). Perceptions of Organizational Politics: Prediction, Stress-Related Implications, and Outcomes. *Human Relations, 49*(2), 233-266. doi:10.1177/001872679604900206

Frankenhuis, J. P. (1977). How to get a good consultant. In (Vol. 55, pp. 133). Boston: Harvard Business School Press.

Freeman, R. E. (2010). *Strategic management: A stakeholder approach*: Cambridge university press.

Gibbons, R., & Kaplan, R. S. (2015). Formal Measures in Informal Management: Can a Balanced Scorecard Change a Culture? *AMERICAN ECONOMIC REVIEW, 105*(5), 447-451. doi:10.1257/aer.p20151073

Krackhardt, D., & Hanson, J. R. (1993). Informal Networks: The Company Behind the Chart. *Harvard Business Review*(July-August 1993).

Lysons, K. (1997). "Organizational Analysis". *British Journal of Administrative Management*(18).

Martilla, J. A. (1971). Word-of-Mouth Communication in the Industrial Adoption Process. *Journal of Marketing Research, 8*(2), 173-178.

McGivern, C. (1983). Some facets of the relationship between consultants and clients in organizations. *Journal of Management Studies, 20*(3), 367-386. doi:10.1111/j.1467-6486.1983.tb00213.x

McGivern, C., & Fineman, S. (1983). Research and consultancy - towards a conceptual synthesis. *Journal of Management Studies, 20*(4), 425-439. doi:10.1111/j.1467-6486.1983.tb00217.x

Mitchell, V. W. (1994). Problems and Risks in the Purchasing of Consultancy Services. *The Service Industries Journal, 14*(3), 315-339. doi:10.1080/02642069400000036

Morgan, G. (1997). *Images of organization* (2. ed.). London: SAGE.

Mullins, L. J. (2007). *Management and organisational behaviour*: Pearson education.

Oberg, A., & Walgenbach, P. (2008). Hierarchical structures of communication in a network organization. *Scandinavian Journal of Management, 24*(3), 183-198. doi:https://doi.org/10.1016/j.scaman.2008.03.011

Pettigrew, A. M. (1975). The Industrial Purchasing Decision as a Political Process. *European Journal of Marketing, 9*(1), 4-19. doi:10.1108/EUM0000000005054

Popa, F. (2010). Formal and informal decision-making at EU level. *Cogito: Multidisciplinary Res. J., 2*, 326.

Song, X., Shi, W., Ma, Y. F., & Yang, C. (2015). Impact of informal networks on opinion dynamics in hierarchically formal organization. *PHYSICA A-STATISTICAL MECHANICS AND ITS APPLICATIONS, 436*, 916-924. doi:10.1016/j.physa.2015.05.051

Webster, F. E. (1970). Informal Communication in Industrial Markets. *Journal of Marketing Research, 7*(2), 186-189.

Weick, K. E. (2012). *Making Sense of the Organization: Volume 2: The Impermanent Organization* (1. Aufl. ed.): Wiley.

Welch, C., & Piekkari, R. (2006). Crossing Language Boundaries: Qualitative Interviewing in International Business. *MIR: Management International Review, 46*(4), 417-437. doi:10.1007/s11575-006-0099-1

Whelan, E., Parise, S., de Valk, J., & Aalbers, R. (2011). Creating Employee Networks That Deliver Open Innovation. *MIT Sloan Management Review, 53*(1), 37-44.

Wickenberg, J. (2004). *Exploring the shadows of project management.* (2156), Chalmers tekniska högskola, Göteborg. Retrieved from https://research.chalmers.se/publication/1232

Wickenberg, J., & Kylén, S. (2004). How Frequent is Organizational Political Behavior? *Fenix WP, 27*.

Wilson, A. (1972). *The marketing of professional services*. New York: McGraw-Hill.

Yin, R. K. (1994). *Case study research: design and methods* (2. ed. Vol. 5). Thousand Oaks, CA: Sage.

Appendix A – Detailed description of the interview process

Initial Phase

The initial phase's purpose was to delimit the scope and determine which topics and areas to investigate in order to best be able to achieve the purpose of the study. The first iterations purpose was to more freely explore the consultants work and interaction with the client. With a wealth of experience between the interviewees and a semi-structured interview method the goal was to find a number of interesting cases and areas for investigation. Especially sought after were cases and/or areas where the interviewee perceived a high amount of friction between the consultant and client. While the first iteration was rich in exploration the second iteration narrowed down the scope and instead was used to cross reference one consultants experience to the others, to get multiple perspectives on issues.

Iteration One

The main themes that were used for the interview in the first iteration were:

- Establish a sense of the characteristics of a typical good and bad assignment
- What are the reasons for firms to hire consultants?
- What are the main difficulties of change management?
- Awareness with the customer of IBG
- IBG's effect on the consultant's value contribution to the client organization
- The interviewees experience of corporate politics
- Examples of assignments that had all conditions to succeed but faced obstacles.
- What further questions the interviewees would like to, if given the opportunity to, ask other consultants anonymously?

Initially a sense of what a good assignment is and what a bad assignment is were looked into. It turned out what was considered a good assignment was discovered <u>during</u> the assignment. Each of the consultant's examples of good assignments was where every participant felt involved and part of the team with a common goal. One of the interviewees described this feeling as similar to a start-up spirit, optimistic, where problems will inevitably be solved. Limited to no distinction between employee and consultants lead to great group dynamics and an improved ability to reach consensus in decision making.

While a good assignment was generally identifiable during the course of the project, a bad assignment could be recognized earlier. Typical signs were that there is low commitment from the organization to pursue the project or low energy in the team working in the project. But the most common factor described by the consultants was ambiguity in the assignment. Ambiguity that resulted in insecurity what the client wanted and unclear expectations and requirements while at the same time working under the pressure of time.

Furthermore, the consultants were asked under which circumstances and because of what reasons they believed they were being hired. It was confirmed that consultants are wanted both for their competences but also because of their objectivity and externality. All three interviewees were able to recall specific cases where they were sure that they had been hired because of either their competence or their externality each. Competence reasons expressed

was for example that a client wanted an experienced project leader with a good track record, while an externality reasons was that one certain management practice had become so taboo that it was not possible for an employer to introduce it anymore, though it was apparent that the practice needed to be adopted.

"Part of the value of hiring a consultant is to get rid of corporate politics and personal influences from a project."-Es

Regarding difficulties with change management the answers went into two different directions with the first one regarding the commitment from the client's organization and people. If there is no commitment from the group and the people are not appreciating the value of the change itself, it will be severely difficult to implement. It is very important to share the belief that the change is necessary but also that the consultant coming in leading the change is competent. The other problem that might occur is ambiguity in the assignment. Not having clear instructions what to do, vague acceptance criteria and unspecified requirements were factors named as highly driving of ambiguity.

In formally strict organizations all three interviewees admit that it has happened that an employee has expressed concerns about IBG in the organization and that it will affect the consultant's work. This was in all three cases done by person to person conversations with an employee that trusted the consultant. None can recall experiences in less formally strict organizations.

In line with research question two, questions were asked how IBG affect the consultant's value added. All three consultants bring up good examples of several negative effects they've encountered as a product of IBG. One consultant met an unfamiliar company culture where the consultant believed that its suggestions were appreciated when it met no complaints and silence when it in fact where the opposite and silence meant disagreement. This resulted in wasted time since the consultant ended up spending time working in the wrong direction. Another consultant had met an informal leader who instigated resistance towards the change the consultant was trying to implement. This led to rise of costs, waste of time and reduced working environment for the employees since not everyone wanted to resist but they followed the informal leader. The final consultant mentions that waste of time may also originate from denied or delayed access to the right information or persons, which had occurred to this consultant before.

Power structures within an organization and especially power struggles might harm both the organizations performance and the consultant's ability to perform. One consultant have several times encountered middle-managers that have a hard time working with the whole company's interest in mind and instead focus on the expansion of their own divisions.

Regarding corporate politics the three interviewed consultants are united in the belief that it exists in all organizations to a certain extent, but it is more common in large corporations. Employees, mostly men, want to lay claim to that they have a stronger influence than they have. A behavior meant for climbing in the informal hierarchy. One consultant emphasize that company politics are stronger on a higher level in the company and that more informal hierarchy leads to more informal behavior. Another describes a method for using the company politics to succeed with the assignment, essentially to clearly express how the involved division in the organization will benefit from the achievement of the project and the change suggested.

The consultants could not recall any examples of projects which had all prospects to succeed but did not. The only example mentioned was an all-star team that was put together to solve an important problem but failed miserably, all members were used to have key roles in the project and that their opinion was highly appreciated. The team with only people with that kind of role didn't function properly and failed the assignment, which according to the consultant was due to lacking a balance of personalities within the team.

Lastly it was asked what question the consultant would ask another experienced consultant if it could do so anonymously. The response was that it would be nice to hear other stories about lessons learned while consulting since the consultant believed there are a lot of issues that recur. Secondly how does an external consultant affect an organizations culture as much as possible as fast as possible? Lastly the third consultant would ask how other consultants measure performance. Measuring profit is very common but may not ultimately be the best measurement for the whole company's performance.

Iteration Two

By comparing what topics and examples the three different consultants brought up during iteration one and categorizing them into themes it became clearer what subjects could be cross referenced. Under each theme several hypotheses were produced that were connected to the research questions and were deemed usable towards answering the research questions.

Hypotheses

The hypotheses under each theme were as follow:

- Ambiguity
  - If there is a pattern of ambiguity in the project, the probability that IBG exist is higher.
  - If there is a pattern of ambiguity in the project the risk increases that the performance of the consultant is negatively affected by IBG.
- Corporate Politics
  - There is a pattern to IBG depending on the degree of formal hierarchy in the client organization and the hierarchical level the consult acts within in the organization.
  - Depending on the former hypothesis a consultant can adapt its approach to better manage the adverse effects of IBG.
- Preparatory work
  - To investigate IBG within the client's organization in advance of a new project is a can reduce the risk that performance will get negatively affected by IBG.
- Deference
  - When too little deference or too much deference is given to stakeholders in change management, the risk of IBG is increased.
  - There is a risk when not enough, or too much, deference is given to stakeholders in change management that IBG will affect the consultant's performance negatively.
  - There are different ways to approach and relate to IBG, naive and straightforward are two behavioral methods that can be used to reduce negative effects from IBG.

Ambiguity

The interviewees agree that there are tons of ambiguities in almost every assignment and it is part of the consultant's job to be able to handle the ambiguity. Insecurity follows from the ambiguity but not in the extent that was expected, this was due to the fact that the consultants were used to handle a certain level of ambiguity. Insecurity makes the progress slower and leads to higher costs especially if the consultant has a limited understanding of the organization. If there were no ambiguity, projects would essentially always succeed according to one consultant.

If there is too much ambiguity between the client and the consultant it will lead to insecurity regarding expectations, scope and time plan. If the extent of the assignment is unknown the time plan will not be kept.

Methods proposed to be used when facing ambiguity is approaching the end customer directly, identifying their true needs and design the solution after that, and to interview the client while focusing on the end user. Another more specific method proposed is to define an own scope and propose it to the stakeholders. They will definitely come with a lot of complaints but the probability is high that some ambiguity is cleared in the ensuing complaints.

Corporate Politics

To one consultant conducting change management on higher levels in the organizational hierarchy is more complicated, since the change will affect more people and that implies there are more stakeholders. Another consultant emphasize that at high levels in the hierarchy it is considered good to favor change but there might be varying commitment if the change is not personally preferred as well.

Regardless of level in the hierarchy it is of uttermost importance that the change is strongly rooted and that everyone is involved and knows what to expect from the change. This will reduce resistance to the change.

Corporate politics is thought by the interviewees to exist in a higher degree when the formal structure of the organization is low. The same is thought of flatter organizations where informal hierarchy is stronger. The expression Hippo, highest paid person opinion was brought up. It can be hard to make people disagree with the Hippo but if the Hippo is agreeing with the consultant the work becomes much easier. In flatter organizations informal communication channels are very important one consultant emphasizes, and that also in general, without them the progress would be much slower.

Preparatory Work

There is no consensus with the consultants regarding being hindered in their work by informal structures within the client's organization. Instead they agree that it takes a long time and is difficult to get familiar with the informal structures and company culture but eventually one gets used to it. As preparatory work one consultant looks up all the known stakeholders on the internet and reads about the company culture. Stakeholder mapping is a preparatory work that is commonly used.

Potential preparatory work, that the interviewees don't perform today, they mention using their colleagues and friends' experiences more. They may share ambiguities, conflicts and how certain people in the organization think and act. However, there is a need to be cautious,

IBG is a perishable good, one consultant says, it can quickly change which make it risky to rely on old experiences.

Deference

There is a trade-off and balance between deference and achieving results. Showing too much deference can make an impression of insecurity and uncertainty, while too little can be perceived as unwillingness to listen and adapt. One consultant proposes that there might be solutions that never even get considered because they show so little deference. Having a deeper relationship with stakeholders or project team member might interfere with the projects ultimate progression. Conflicts that should have been faced might get avoided.

Regarding the naive and the straightforward approach to stakeholders all three consultants admit that they use both. A naive approach can be useful in the beginning of an assignment to get a better understanding of the project and it is normally tolerated for an external person to ask sensitive questions. But after some time the consultant must starts to act more straightforward to be able to maintain the clients trust. Another scenario where one consultant says it never uses the naive approach is when working with its team members or down in the organization. It is not preferred to show any side of lower competence down in the hierarchy but up it can be used to get access to the right information.

Appendix B - Main phase questions asked

After some hypotheses was rejected new were formed while the confirmed were kept. The themes continued to be of interest although ambiguity was renamed as ambiguity and insecurity. The term naive was also renamed as blue-eyed.

With the completion of the final interviews in the main phase the data collected was compiled and merged with the initial phase data, in the process described in the **Methods section**. As such the main phase empirical results will not be presented on their own. But be part of the final results section below.

The questions asked during the main phase under each theme were as follows:

Preparatory work

1. What kind of preparatory work do you do before seeing a new client in a new project?
    a. If not mentioned, ask about preparatory work related to preparatory work related to informalities.
    b. What additional preparatory work do you believe you could do?
        i. What if you weren't limited by resources like time and money, what kind of preparatory work would you be able to do in that case?
2. What positive effects do you believe to be gained by preparatory work?
    a. What is the value of the positive effects? (Time, money etc.)
3. What risks do you see with conducting preparatory work?
4. Do you experience preparatory work to not be worth your time?

Corporate Politics

1. Do you experience there to be any differences in the manifestation of informal hierarchy in different hierarchical levels of the client organization?
   a. Are there any similarities regardless of levels?
   b. How do you manage informal hierarchy at different levels?
2. Do you experience there to be any differences in the manifestation of informal communication channels in different hierarchical levels of the client organization?
   a. Are there any similarities regardless of levels?
   b. How do you manage informal communication at different levels?
3. How do you believe these phenomena are affected at different hierarchical levels by corporate culture?
4. Informal communication and informal hierarchy can be seen as corporate political phenomena. What ways do you perceive that corporate politics can affect your contributed value to the client organization negatively?
5. Can you give an example of encountering an informal gatekeeper, by that we mean an individual with disproportionate levels of informal influence on the organization?
   a. How did this gatekeeper affect your ability to contribute value to the client organization?
   b. How did you handle the situation?
   c. Is there anything you could have done differently?

Deference

1. Do you recognize any other methodology that does not coincide with blue-eyed and straightforward?
   a. What method do you prefer?
   b. Is there any general pattern to your application of each method?
2. So far in our research we have found that there is often a trade-off between showing deference towards stakeholders and achieving results. Is this a common trade-off to you?
   a. What do you believe is at stake in the trade-off?
   b. How do you prioritize between the two?
3. What are the disadvantages of showing too much deference?
   a. Can you give an example of a situation where this happened?

Ambiguity and Insecurity

1. If you feel your assignment is ambiguous and the client is the cause of the ambiguity, what do you usually find as contributing factors?
   a. If not mentioned: Ask about ambiguity related to informality.
2. In what way do these ambiguities create insecurities for you in the project?
   a. In what ways can this affect your value added negatively?
3. Do you apply any method to manage these issues?
   a. Have you heard of any method that you do not apply yourself?