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Organizational Management of IT Projects in Consultant-Client Relationships

How does Organizational Differences Impact
Communication within Consultant-Client
Relationships in IT Projects?

Master's thesis in Management of Technology
Supervisor: Hilde Fjellvær
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Norwegian University of Science and Technology
Faculty of Economics and Management
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Foreword

To the reader,

This thesis represents the culmination of a two-year master's degree in Management of Technology at the Norwegian University of Science and Technology (NTNU) in Trondheim. We selected the topic of cooperation between consultants and clients out of personal engagement, which led us to explore their organizational differences more deeply to better understand communication in the inter-organizational relationships.

We are grateful to Bekk for allowing us to conduct our thesis in collaboration with them and to Runar Ovesen Hjerpbakk from Bekk for his support and insights. Thank you to all the professionals who shared their experiences and knowledge during our interviews.

Thanks to our supervisor Hilde Fjellvær, for her guidance and contributions during the semester. In addition, we would like to thank Aleksandra Torkildsen Hjertaker and Hasan Besirovic for taking the time to read and provide feedback on our thesis draft. Finally, we must also acknowledge our families, whose constant support and encouragement have been invaluable during this thesis and our educational journey.

Thank you.

The authors of this thesis are responsible for its content.

May 2024

Andreas Torkildsen Hjertaker and Irnis Besirovic

Abstract

This thesis investigates how organizational differences impact communication within consultant-client relationships in IT projects, grounded in the context of organizational research. Utilizing a case study of Bekk Consulting (Bekk), the research delves into how differences in hierarchies and competencies cause barriers and mediation to ensure organizational efficiency.

The research identified significant differences between Bekk's flat organizational structure and the more hierarchical structures of their client organizations. It highlights that Bekk's flatter hierarchy promotes open and direct communication, facilitating quicker decision-making and dynamic responses to emerging issues. Conversely, client organizations with pronounced hierarchical structures tend to be larger. They benefit from role clarity with structures custom to their industry and operations. However, the complex managerial layers of clients may cause communication barriers in IT projects due to more formally defined processes.

Bekk's consultants, characterized by their technical and methodological expertise, may face syntactic, semantic, and pragmatic communication barriers in aligning IT projects with clients due to differences in competencies and more traditional methodologies of client organizations. The research underscores the critical impact of trust and culture in consultant-client relationships to foster effective communication, which is vital for organizational efficiency. Informal interactions and social events within Bekk enhance team integration and communication while building trust and culture. Though less prevalent in client organizations, IT projects may benefit from embedding cultural junctures in the formation and maintenance of contact systems in the consultant-client relationship. Client product owners and sales representatives also play vital roles in mediating communication barriers.

Finally, the research emphasizes the need for consultants to adapt their methodologies to fit client organizational structures, balancing Agile Methodologies (AM) and traditional approaches to improve IT project outcomes. Adaptability and the importance of interpersonal skills and continuous learning for navigating diverse client environments are highlighted. Strong communication and cooperation skills are essential for consultants to adapt to varying client needs.

Sammendrag

Denne masteroppgaven undersøker hvordan organisatoriske forskjeller påvirker kommunikasjonen mellom konsulenter og klienter i IT-prosjekter, basert på organisasjonsforskning. Gjennom en casestudie av Bekk Consulting (Bekk) analyseres hierarki og kompetanseforskjeller, og hvordan en kan sikre organisatorisk effektivitet.

Studien identifiserer betydelige forskjeller mellom Bekk sin flate organisasjonsstruktur og de mer hierarkiske strukturene hos klientorganisasjonene. Den viser at Bekk sin flate hierarkiske struktur fremmer åpen og direkte kommunikasjon, noe som legger til rette for raskere beslutningstaking og dynamiske reaksjoner på nye problemer. Derimot har klientorganisasjoner ofte mer komplekse hierarkiske strukturer, som kan føre til kommunikasjonsbarrierer i IT-prosjekter på grunn av formelle prosesser.

Bekk sine konsulenter har teknisk og metodologisk ekspertise, som kan skape syntaktiske, semantiske og pragmatiske kommunikasjonsbarrierer når de skal tilpasse IT-prosjekter til klientenes mer tradisjonelle metodologier. Forskningen fremhever den kritiske rollen tillit spiller i konsulent-klientforhold, da tillit fremmer effektiv kommunikasjon som er avgjørende for organisatorisk effektivitet. Uformelle interaksjoner og sosiale arrangementer innen Bekk forbedrer teamintegrasjon, kommunikasjon og kultur. Selv om dette er mindre utbredt i klientorganisasjonene, kan IT-prosjekter dra nytte av å integrere flere sosiale samlingspunkter og bygge uformelle kontaktsystemer i konsulent-klientforholdet. Produkteier hos klienter og salgsrepresentanter hos Bekk spiller også viktige roller ved å redusere kommunikasjonsbarrierer i forholdet.

Til slutt understreker forskningen behovet for at konsulenter tilpasser sine metodologier til klientenes organisasjonsstrukturer, ved å balansere Agile metoder (AM) og tradisjonelle tilnærminger for å forbedre IT-prosjektresultater. Tilpasningsevner er viktig å ha for konsulentene, i likhet med mellommenneskelige ferdigheter og fokus på kontinuerlig læring for å navigere i ulike klientmiljøer. Sterke kommunikasjons- og samarbeidsferdigheter er essensielle for at konsulenter skal kunne tilpasse seg klienter og varierende behov.

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List of Acronyms

NTNU	Norwegian University of Science and Technology
Bekk	Bekk Consulting
RQ	Research Question
AM	Agile Methodologies
AI	Artificial Intelligence
NSD	Norwegian Centre for Research Data

1 Introduction

Weber (1947) developed his theories about the impact of capitalism on society by observing industrial conditions in Europe and believed that firms would inevitably settle upon a "bureaucracy" where control and authority are vested in positions rather than people, as the optimal form of organizational structure (Weber, 1947). However, organizations often need competencies that may be absent internally, and external consultants offer the necessary expertise to the initiatives (Hardy et al., 2003). Engaging consultants is a common strategy for organizations seeking to navigate complex challenges and augment capabilities beyond their structure (Schein, 1997). Success in these endeavors is only sometimes assured, prompting a closer look at the communication of such relationships (McLachlin, 1999).

Leaders who master the art of communication can effectively inspire and align their teams with organizational objectives (Gochhayat et al., 2017). Organizational communication is crucial for providing direction and clarity to the organization's members and external parties (Molina Rodríguez-Navas et al., 2021). Communication flow with feedback reduces deviations and contributes to organizational effectiveness (Rajhans, 2009).

This thesis developed through a case study of Bekk Consulting (Bekk), focuses on understanding how organizational differences impact communication within client-consultant relationships in IT projects. Specifically, it examines the interactions between IT consultants, sales representatives within the consultancy, and product owners within client organizations. The goal is to identify patterns that influence communication and to understand their effects on relationship dynamics to improve organizational efficiency. By exploring inter-organizational collaboration, this study aims to reveal how varying organizational structures and competencies affect cooperation with communication barriers, offering insights into mediating barriers for more effective IT project collaborations.

1.1 Background for the choice of topic

This study addresses the practical challenges in the business world, where organizations often lack in-house expertise, prompting the engagement of consulting firms (Simon & Kumar, 2001). Understanding more depth in the processes behind how consulting entities and their

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clients collaborate motivated the choice to focus on this relationship. The researchers are personally invested in the consultant environment and wanted to investigate aspects of communication between these as it affects the strategic objectives and outcomes of the collaboration. The reviewed literature emphasizes hierarchy and competence as relevant factors in collaboration. At the same time, more profound insights can create an understanding of how these factors impact communication barriers and organizational efficiency within IT projects for future improvements in ensuring mutually beneficial consultant-client relationships.

1.2 Research Questions

This thesis aims to address the following problem definition:

- *How does organizational differences impact communication within consultant-client relationships in IT projects?*

We will focus on three primary research question's (RQ) to ensure the study is directed towards the most relevant topics:

- *RQ 1: What **organizational differences in hierarchy and competencies are identified within these relationships?***
- *RQ 2: How does **organizational differences in hierarchy impact communication?***
- *RQ 3: How does **organizational differences in competencies impact communication?***

The thesis has focused on the collaboration between consultants and clients and on understanding how specific organizational differences impact communication within these relationships.

1.3 Research Aim and Scope

This thesis investigates how organizational differences impact communication within consultant-client relationships in IT projects, using Bekk as a case study. It examines the interactions between IT consultants, sales representatives, and client product owners to understand how variations in hierarchy and competencies influence communication. The research aims to identify organizational differences, communication barriers, and possible mediation to improve communication and collaboration in these relationships, ultimately contributing to more effective and efficient IT project outcomes and organizational efficiency.

1.4 Context and Organizational Description

Bekk is a well-established consultancy firm based in Norway, with offices in Oslo and Trondheim. The firm specializes in digital transformation and product development across various sectors, including welfare, education, transportation, banking, and culture, which are crucial for modern society's infrastructure (Bekk, n.d.).

Bekk employs around 600 professionals in 2024 who work together to develop digital services that simplify daily activities nationwide. Their services include technology, design, product management, and management consulting. This competency variation allows Bekk to develop essential digital products and provide strategic advice to help organizations adapt to market changes. The consultancy approach emphasizes collaboration with clients. Consultants work onsite within client teams, creating a shared sense of project ownership and alignment toward outcomes. This method is vital for solving complex problems and achieving project goals. Bekk's projects in IT consulting include consumer-facing applications to backend systems and APIs that facilitate data sharing between companies. These efforts aim to improve user experiences and connect different parts of an organization's digital ecosystem, thus enhancing efficiency and satisfaction. Bekk has influenced a broad range of sectors over the last two decades, contributing to the digital modernization of Norway (Bekk, n.d.).

1.5 Outline of Thesis

Chapter 1 introduces the thesis by providing background on the topic choice and the motivation behind the research. It highlights the importance of communication in consultant-client relationships and positions Bekk within this context while also presenting the research questions and aims of the thesis. Chapter 2 delves into a comprehensive literature review on consultant-client relationships, organizational hierarchies, organizational competencies, and organizational communication, identifying gaps in current research and setting the theoretical foundation for the empirical investigation. Chapter 3 describes the research methodology used to collect and analyze data, explaining the chosen research design, data collection methods, and analytical techniques while addressing ethical and AI considerations. Chapter 4 presents the findings from the data collected, offering insights into the collaboration dynamics among IT consultants, sales representatives, and client product owners. Chapter 5 discusses the empirical findings from Chapter 4 in combination with the literature reviewed in Chapter 2, evaluating

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the implications of the results and comparing them with existing literature. Then, chapter 6 concludes by summarizing the main findings, discussing the study's limitations and implications for practice, and suggesting future research directions. This structure ensures a logical progression from a broad investigation of literature to specific empirical findings, synthesizing theoretically informed and practically relevant insights.

2 Literature

This research conducted a literature review to explore the dynamics of the consultant-client relationship in terms of hierarchy and competencies and their influence on organizational communication.

2.1 The Consultant – Client Relationship

According to Nikolova (2007), the consultant-client relationship serves as a professional service aimed at helping organizations achieve their objectives by addressing business and management challenges, facilitating learning, and identifying new opportunities (Nikolova, 2007).

IT drives innovation, improves business processes, automates processes, and introduces technology solutions that can open new avenues for business models and service delivery (Porter & Heppelmann, 2014). IT projects are temporary endeavors undertaken to implement new systems, integrate technologies, or perform significant upgrades, necessitating specialized competence (Iriarte & Bayona, 2020). As a result, projects build applications on technology stacks that include programming languages, frameworks, databases, coding libraries, and relevant development methodologies (Martinsson & Svanqvist, 2022).

Interorganizational collaboration is relevant when discussing a consultant-client relationship. Hardy et al. (2003) define inter-organizational collaboration as enabling the sharing and creating knowledge, resources, and strategic advantages beyond individual capacities (Hardy et al., 2003). Nezami et al. (2022) emphasize that organizations engage in these collaborations to pursue common goals that are unattainable independently, such as pooling resources for large projects or exchanging knowledge to accelerate innovation. Flexibility allows for adaptive governance structures capable of managing the complexities of inter-organizational cooperation (Nezami et al., 2022). Interorganizational collaborations vary, including strategic alliances, joint ventures, networks, consortia, and partnerships, each chosen based on the goals and needs of the respondents. For example, joint ventures often focus on shared investments in specific projects, while networks might involve more fluid arrangements for resource exchange (Khouja et al., 2021).

Literature

Galliers and Leidner (2003) note that IT consultancy not only improves operational efficiencies and strategic differentiation by leveraging technology trends. Consultants assess, design, and implement technology solutions that align with corporate objectives, bridging barriers between technology potential and business needs (Galliers & Leidner, 2003). Schein (1997) categorizes clients into various types with specific needs and expectations. Furthermore, he highlights several categories of client problems, emphasizing the importance of consultants adapting their methods based on the client's unique needs and problems (Schein, 1997). Clients are entities encountering challenges that necessitate customized external expertise. However, the client conceptualization within this relationship varies, with some researchers viewing clients as homogeneous while others see them as heterogeneous entities (Alvesson et al., 2009). This divergence hinges on whether consultants should approach clients as a standardized entity or a complex construct with varying intra-organizational attributes such as knowledge and culture (Jacobson et al., 2005).

2.2 Organizational Hierarchies

Weber (1947) contributed to the organizational hierarchy model through his bureaucratic management theory, which structures hierarchy with clear lines of authority and a detailed system of rules and procedures (Weber, 1947). Whereas Taylor (1947) introduced the concept of "scientific management" which still is hierarchical but focused on efficiency and worker productivity through time and motion studies which somewhat diverge from Weber's emphasis on authority and strict bureaucracy (Taylor, 1947).

Pugh (1973) stated that organizational structure determines the direction of activities, such as task allocation, coordination, and supervision, to achieve organizational goals (Pugh, 1973). This notion is still relevant today, as Gutterman (2023) elaborates that structure directly affects how information flows, defines roles and responsibilities, and influences organizational behavior, impacting efficiency and communication (Gutterman, 2023).

Mintzberg's model (1979) identifies five essential parts of the organizational structure, shown in Figure 2.1. Each part represents different organizational roles, contributing to its operations (Mintzberg, 1979, pp. 20-21).

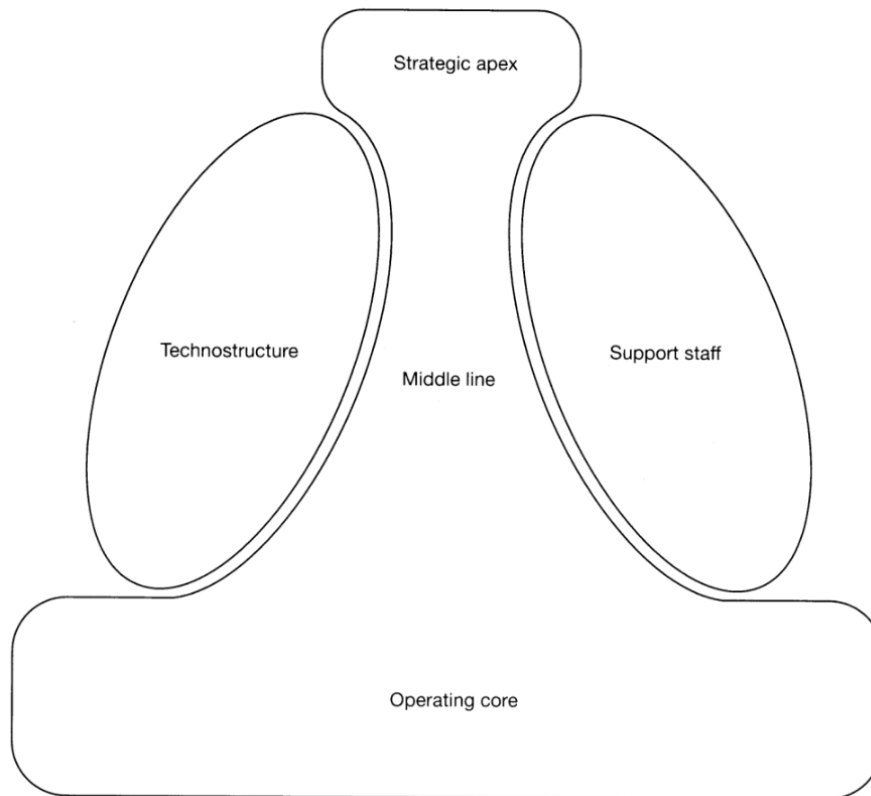


Figure 2.1: Five Basic Parts of Organizations (Mintzberg 1979 p.20)

1. **The Strategic Apex** of the organization consists of top-level management, including executives and senior leaders, who are responsible for the organization's overall strategic direction and control. Their primary tasks involve ensuring the organization meets its goals and manages its external relationships effectively (Mintzberg, 1979, pp. 24-26).
2. **The Middle Line** act as a bridge between the organization's strategic apex and operational core. They are responsible for translating the strategic directives from top management into specific operational plans that can be implemented at lower levels (Mintzberg, 1979, pp. 26-29).
3. **The Operating Core** includes the employees who carry out the organization's basic work, directly involved in producing products or delivering services (Mintzberg, 1979, p. 24).

4. **The Technostructure** standardizes and optimizes work processes to ensure consistency and efficiency (Mintzberg, 1979, pp. 29-30), including HR managers and quality control experts.

5. **The Support Staff** consists of units not directly involved in the organization's primary work but providing essential support services. These services include legal, accounting, public relations, or any other support function that helps the other parts of the organization function smoothly (Mintzberg, 1979, pp. 31-32).

Variation in Hierarchical Depth

Barney (1990) formulated that traditional organizational structures have pronounced hierarchies and well-defined, often vertical communication systems that organize authority and responsibility in a structured manner (Barney, 1990). Adding on, Lutz and Linder (2004) argue that structures typically facilitate transparent chains of command and centralized decision-making processes, which can enhance order and simplify administrative oversight but may also restrict flexibility and slow response times to environmental changes (Lutz & Linder, 2004). Deep hierarchies exist on the premise that control flows top-down, from the top-level management of the hierarchy to the operational core (Mihm et al., 2010). Figure 2.2 shows an example of a pronounced hierarchical structure.

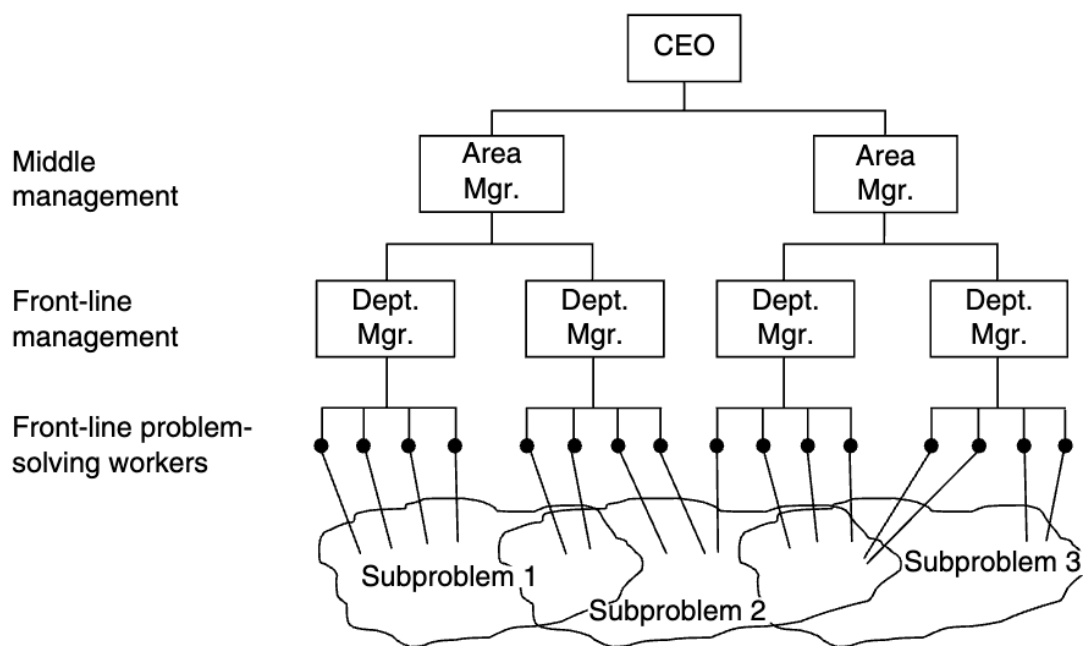


Figure 2.2: Organizational Hierarchy and Problem-Solving Search (Mihm et al., 2010)

Literature

In contrast, modern organizational structures often emphasize decentralization and reduction in hierarchical levels. As of this, Bennet and Tomblin (2006) argue that these structures are designed to promote flexibility, faster decision-making, and increased collaboration (Bennet & Tomblin, 2006). Moreover, Pawlowski (2016) argues flat hierarchies are suited to dynamic business environments where rapid technological advancements and shifting market demands are common (Pawlowski, 2016). Awais et al. (2023) elaborates as modern flatter hierarchies help organizations to adapt quickly and innovate by empowering lower-level employees and improving the flow of information across the organization (Awais et al., 2023). Flat structures reduce or eliminate middle management levels, creating a more open organizational environment where communication and decision-making are more dispersed (Mintzberg, 1979, pp. 136-137). Figure 2.3 shows an example of a pronounced flat structure.

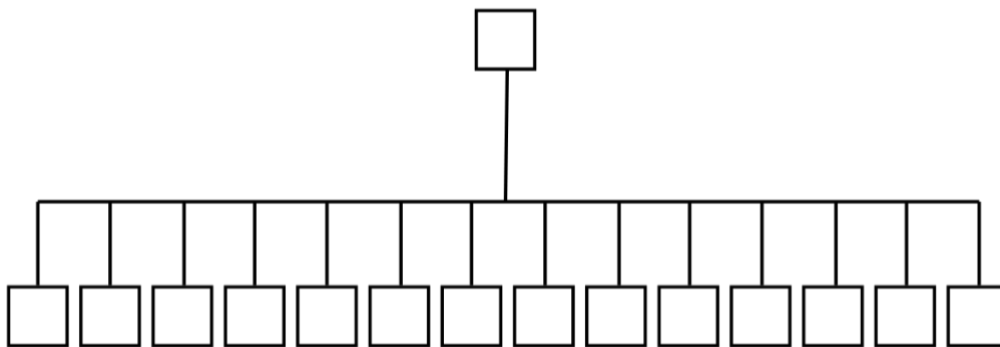


Figure 2.3: Flat Organizational Structures (adapted from Mintzberg, 1979, p. 136)

The Coordinating Mechanisms

Organizational structuring involves dividing the labor of an organizational mission into distinct tasks and then coordinating these tasks to achieve the mission cohesively. According to Mintzberg (1979), there are five basic ways to achieve this coordination:

1. **Mutual Adjustment.** Individuals coordinate their work by communicating informally with each other (Mintzberg, 1979, p. 3).
2. **Direct Supervision.** One individual, typically a manager, gives specific orders to others to coordinate their work (Mintzberg, 1979, pp. 3-4).
3. **Standardization of Work Processes.** Coordination is achieved by imposing standards to guide how the work should be done, including work orders, rules, and regulations (Mintzberg, 1979, pp. 5-6).

4. **Standardization of Outputs.** Work is coordinated by imposing standard performance measures or specifications concerning the outputs, usually established by technostructure analysts (Mintzberg, 1979, p. 6).
5. **Standardization of Skills.** Coordination occurs through individuals internalizing standard skills and knowledge before starting the work (Mintzberg, 1979, p. 6-7).

Product owners are middle managers in IT projects, prioritizing product features to align with customer needs and business goals. (Sverrisdottir et al., 2014). These supervisors oversee day-to-day activities at the operational level, ensuring that frontline employees involved in service delivery can adhere to company procedures and meet performance standards (Unger-Windeler et al., 2021).

2.3 Organizational Competencies

Nelson and Winter (1982) point out that organization routines are individuals' skills or abilities (Nelson & Winter, 1982). All members absorb these competencies, which remain even when individuals leave the organization (Barney, 1991). Competencies consider personal and corporate competencies, as defined by Turner and Crawford (1993). Organizational competencies consist of competencies individuals hold, such as their experience, technical knowledge, or skills and abilities. The competencies live in company processes, systems, and structures (Turner & Crawford, 1993).

Core Technical Competencies

Prahalad and Hamel (1990) defined core competencies as integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers (Prahalad & Hamel, 1990). Core competencies, as defined by Leonard-Barton (1992), are intangible, difficult to imitate, and provide sustainable competitive advantage. These competencies include differentiated skills and complementary assets (Leonard-Barton, 1992). Technical competencies offer a competitive edge in current products and future, yet-to-be-conceived businesses (Prahalad, 1993).

An organization's technology strategy involves acquiring technology through inter-organizational collaboration (Ford, 1988). Developing technology independently may not always be suitable, and some larger companies increasingly rely on external technology from

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different entities (Komaran, 1993). Technologies vary in integration with a firm's existing systems and expertise. Some technologies build on established systems, requiring minimal systemic shift, making them easier to integrate. Conversely, unfamiliar technologies necessitate reconstructing roles and models as existing skills become obsolete (Barley, 1986). Technical complexity is constant across all firms, while the degree of systemic shift varies based on each firm's expertise. Firms can take steps to reduce systemic shifts. Teece (1977) established that transfer efficiency depends on the recipient firm's experience with similar technologies. Unfamiliarity prolongs the transfer process, making significant systemic shifts more challenging (Teece, 1977). Technological competency involves utilizing existing technologies and innovating proprietary technologies to sustain competitive advantage (Teece, 1986).

Researcher Dent (2015) emphasizes that aligning IT strategies with business objectives is a fundamental outcome of strategic IT planning, which is essential for organizational success (Dent, 2015). Kearns and Sabherwal (2006) discuss how knowledge management and centralization of IT decisions influence strategic alignment, affecting business performance (Kearns & Sabherwal, 2006).

Giddens's (1984) views trust in relation to knowledge. He suggests that trust involves a willingness to disregard what one does not know and take a chance based on what one knows about people or institutions (Giddens, 1984). Luhmann (2017) posits that trust "simplifies complexity". In many cases, people trust the expertise of professionals and the condition of equipment without verifying them each time, making the world seem more manageable and allowing for seamless actions. Conversely, distrust simplifies complexity by making the world more predictable and manageable when one perceives people or institutions as unreliable (Luhmann, 2017). Thévenot (2016) describes the alternation between trust and doubt as fundamental to all human action. Trust provides assurance and encourages continued engagement in actions, while doubt invites critical thinking and challenges illusions. This dynamic process shows that interactions and contexts continually influence trust in society, making it a living, changing entity (Thévenot, 2016).

Methodological Competencies

Methodologies are systematic, theoretically underpinned frameworks that guide the actions and processes within organizations. They are crucial for maintaining operational alignment with

Literature

strategic goals (Albani et al., 2016). Consulting methodologies encompass structured approaches consultants use to identify, analyze, and solve client problems. These methodologies are grounded in theories of change management and organizational development, emphasizing the application of analytical tools and problem-solving techniques (Turner, 1982). Schwaber and Sutherland (2013) argue that modern Agile Methodologies (AM), such as Scrum and Lean, focus on responsiveness to change, collaborative decision-making, and incremental development, which allow organizations to adapt swiftly to evolving customer demands in dynamic industries like software development and IT services (Schwaber & Sutherland, 2013).

Turner (1999) identifies traditional methodologies with plans and processes (Turner, 1999). Traditional methods with extensive planning are effective when project scopes are well-defined, and environments are stable (Chin, 2004). However, critics argue that traditional methods assume risks and uncertainties are predictable, which is often not the case (Alleman, 2002). Projects are becoming more complex, and the business environment is changing rapidly (Gallo & Gardiner, 2007), making it challenging to predict project scopes. Customers may struggle to specify their requirements initially, leading to vague specifications that are hard to address with traditional methods (Cadle & Yeates, 2008, p.77). The rigidity of traditional methods has led to noticeable failures in some IT projects, prompting the development of new approaches.

AM offers diverse benefits, particularly for projects requiring flexibility (Owen et al., 2006). Unlike traditional methods that mandate predefined requirements, AM employs iterative development phases to eliminate costly last-minute changes. Some argue that AM suits all projects (Ashmore & Wedlake, 2016). AM emphasizes flexibility and adaptation, making them context specific. AM prioritizes strategic thinking and learning, reducing the need for costly rework and scope changes during the project. The success of AM in IT projects has led to its adoption in other industries, including consulting, to handle uncertainties and complexities (Griffiths, 2007). The growing use of project management by consulting firms requires managers to be aware of various alternatives to enhance competitiveness in different scenarios, and AM has shown potential. At the same time, the formality and structure of traditional methodologies cannot be easily dismissed (Cadle & Yeates, 2008).

Literature

AM is described as a humanistic approach, making it suitable for consulting firms that involve highly skilled workers, uncertainties, and high stakes (Griffiths, 2007), reflected in several key characteristics:

- Valuing Employee Skills
- Employee Stakeholders
- Autonomous Teams
- Adaptability to Uncertainty
- Environmental Adaptability

(Griffiths, 2007)

Despite its advantages, AM is not without criticism. Fitsilis (2008) notes that from a traditional perspective, AM may seem incomplete, with some processes like communications management and integration methods being vague or absent whereas traditional methods structured processes focused on milestones (Fitsilis, 2008). Highsmith (2009) highlights several potential drawbacks of AM:

- Loss of titles due to flattening organizational hierarchies.
- Possible organizational crises due to increased visibility of individuals.
- Budgeting problems due to short timeframes.
- Difficulties in project kickoff due to vague plans.
- High demands on client involvement.
- Potential loss of privacy

(Highsmith, 2009)

When choosing between AM and traditional methods, weighing the benefits against these disadvantages is essential, considering the project's circumstances and possible changes (Griffiths, 2007). Cadle and Yeates (2008) mention that AM views changes as reversible and an integral part of learning, incorporating change as requirements evolve (Cadle & Yeates, 2008, p. 79)

Interpersonal Competencies

Social and communication skills within an organization lead to better information flow, alignment of goals, and more effective team collaboration. Adaptability, conversational involvement, and conversational management are vital components that affect organizational

communication dynamics (Rubin & Martin, 1994). Spitzberg and Cupach (1984) mentioned that effective communication is crucial for facilitating functional interpersonal relationships, which underpin collaborative environments and knowledge-sharing practices (Spitzberg & Cupach, 1984).

A study found that organizational culture enhances organizational effectiveness through organizational communication in higher educational institutions in India, suggesting that these institutions can enhance communication through socializing in networking, meetings, and group discussions to maximize the positive effects of culture on effectiveness (Gochhayat et al., 2017).

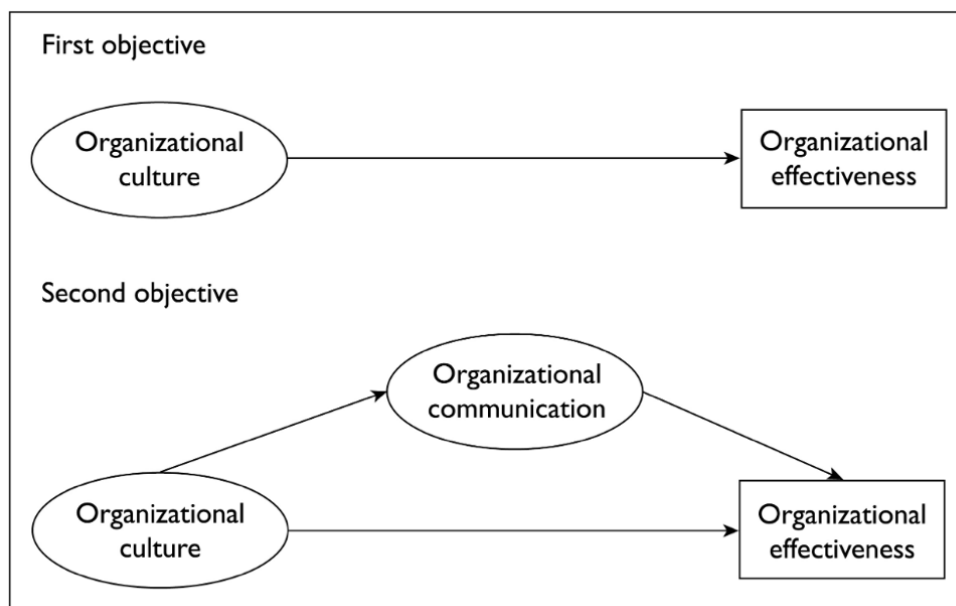


Figure 2.4: Conceptual Models with Objectives (Gochhayat et al., 2017)

Organizational culture encourages employee involvement and consensus on strategic issues, aligning organizational goals with individual objectives (Ouchi & Wilkins, 1985). A widely accepted culture builds an interpersonal environment, strengthening individual and organizational competencies. Consistent sharing of beliefs and expectations leads to organizational effectiveness, with core values forming the foundation of a strong culture (Nneji & Asikhia, 2021). Free-flowing information about values, beliefs, practices, and goals promotes open communication.

Open communication with feedback helps stakeholders address shortcomings and motivate performance, which fosters innovation and understanding of organizational needs (Adu-

Oppong, 2014). Prominent social cultures stimulate interpersonal competencies, providing knowledge exchange and structure for addressing various issues, resulting in higher effectiveness. Organizational effectiveness is driven by culture and mediated through communication. Culture makes institutions more effective by developing a shared understanding (Zeithaml et al., 1988) and instilling beliefs, values, and norms through a communication system where signals have uniform meaning (Schein, 1985).

2.4 Organizational Communication

Communication is exchanging information between a sender and a receiver and understanding the meaning between the individuals involved. Exchange analysis states that communication is a two-way process with sequentially connected elements (Widhiastuti, 2012).

Luhmann's (1995) theory of social systems begins with communication as the fundamental element of the social domain (Luhmann, 1995). All social relations are processes of communication that occur relatively autonomously from the individuals involved. While humans initiate communication, they cannot control its development. Humans express words or gestures, but the listener determines their interpretation and, thus, the actual communication. The listener or the ongoing communication process creates the meaning of a message. The meanings realized in communication are products of the communications network rather than the individuals themselves. Individuals participate by uttering words, but the communication process determines the effect and meaning attributed to these words (Suri, 1955). Luhmann (2002) stated that humans could not communicate; "only communications can communicate," referring to these as different social systems, which are essentially reproductions of communications through communications (Luhmann, 2002, p. 169).

Communications within a particular system only connect to other communications, making the communication process idiosyncratic, resulting in different systems developing different communication logic. Consequently, direct communication across different systems becomes impossible because the same communication would be interpreted differently in different systems (Luhmann, 1989). Social systems are operatively closed, meaning all communications are internal, and no external communications can enter the system. A system might pick up utterances from outside, but the system's logic determines the meaning entirely (Luhmann,

1986, p. 174). This operative closure couples with interactional openness, where social systems react to external events but always according to their logic (Luhmann, 1995).

Sutter and Kieser (2015) explain that organizations are highly autonomous systems, reacting to environmental changes based on their internal interpretations. Each organization condenses broad communication streams into highly selective and routinized codes. The autopoietic systems radically conceptualize communication barriers between consultants and their clients (Sutter & Kieser, 2015). Applying this concept to consulting and client companies can treat them as two distinct social systems with unique communication processes. They form a temporary project organization to handle their collaboration, which operates as a "contact system" (Luhmann, 2005, as cited in Sutter & Kieser, 2015). The interactions within this contact system require interpretation for both the client system and the consultancy. Seidl and Mohe (2007) summarize the arguments around the three systems involved in consulting interventions in Figure 2.5.

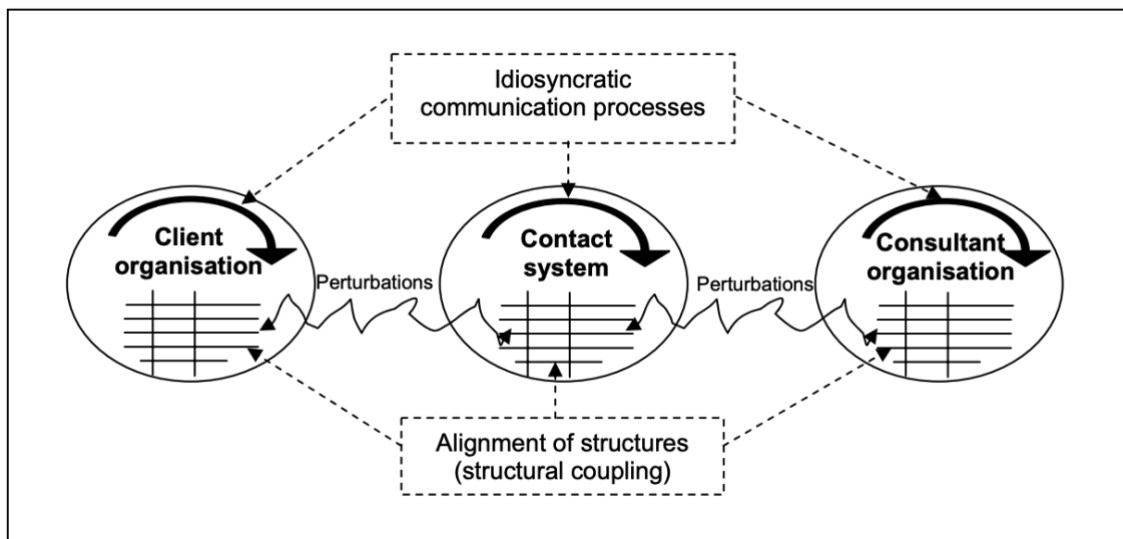


Figure 2.5 The Three Systems Involved in the Consulting Intervention (Seidl & Mohe, 2007).

Literature

Czarniawska (2013) reflects on a view of Clegg et al. (2004) that takes an approach based on the ideas of Michel Serres rather than those of Luhmann, using the term "parasites" to describe the relationship between consultants and their clients. This conceptualization resonates with Luhmann's notion of consultants as external irritants who produce changes not by directly relating to clients but by stimulating the client's social system from the outside (Czarniawska, 2013). From this perspective, consultants provoke uncertainty rather than reduce it. They disrupt routines by offering alternatives. While the system may not incorporate these alternatives, the awareness of their existence can shake the organization from its complacency (Clegg et al., 2004)

The main challenge is how consultancies and client organizations can collaborate effectively despite the severe communication barriers inherent in their distinct systems (Mohe & Seidl, 2011). According to Seidl and Mohe (2007), traditional views often attribute consulting failures to the personal qualities of respondents, like insufficient skills or expertise. However, from a systemic perspective, individuals act as disruptors rather than direct influencers within the communication process, indicating that failures stem from systemic factors rather than individual competencies. Technical flaws such as poor processes or inadequate methodologies hinder the effective execution of consulting projects (Seidl & Mohe, 2007).

Communication Barriers within Hierarchies

Effective communication hinges on both speaking skills and the ability of others to receive the message correctly. Griffin et al. (2018) emphasizes that for effective communication, both sides must strive to minimize disturbances that prevent the receiver from accurately receiving the sender's message. He categorizes disturbances as barriers:

- Process: Includes sender, encoding, message, medium, decoding, receiver, and feedback barriers.
- Personal
- Physical
- Semantic

(Griffin et al., 2018)

Kasrai and Ali Rahimi (2010) found a direct and positive relationship between organizational structure and effective communication. They emphasized that well-structured organizations

Literature

facilitate better communication, enhancing efficiency and effectiveness (Kasrai & Ali Rahimi, 2010). Widhiastuti (2012) argues that deep hierarchical structures can render organizations less responsive to changes and innovations. She found that communication within these structures often faces issues due to bureaucracy. This misalignment can cause organizational goals, program schedules, decisions, and overall purpose to fall short of expectations (Widhiastuti, 2012). Unequal socialization across roles, resulting from prolonged bureaucratic processes, contributes to these communication barriers (Kreitner & Knicki, 2001).

Renani et al. (2017) examined how organizational structure affects communication effectiveness. Their research confirmed a significant relationship between formality and ineffective communication. As organizational formality increases, communication becomes more ineffective, mainly when these elements are ambiguous. Excessive emphasis on rules and regulations can hinder effective communication among staff and create a sense of hopelessness, slowing communication. They also found a significant relationship between complexity and ineffective communication. Increased organizational complexity, characterized by more tasks and subsystems, leads to inefficient communication and sluggish relationships among staff. They showed a significant relationship between centralization and ineffective communication. In centralized organizations, where managers make decisions without employee involvement, communication decreases dramatically, resulting in ineffective organizational relationships. The study concluded that centralization, complexity, and formality are the primary factors influencing ineffective communication in the sample. All forms of upward, diagonal, horizontal, and downward communication were notably ineffective under these conditions (Renani et al., 2017).

However, Widhiastuti (2012) argues that IT tools can make communication quicker and more accurate (Widhiastuti, 2012). Intranets and collaboration platforms disseminate information quickly and allow for real-time feedback and discussions, making communication more interactive (Smerek & Peterson, 2007). Data visualization tools transform complex strategic data into accessible and understandable formats, aiding stakeholders at all levels in making informed decisions (Few, 2009), and digital dashboards provide real-time insights into strategic performance indicators, which support agile decision-making (Eckerson, 2010).

Communication Barriers with Different Competencies

Carlile (2002) highlights significant communication barriers that arise when departments with different organizational functions and competencies collaborate, such as during new product development. He notes that the specialized knowledge that drives innovation within a function can hinder problem-solving and knowledge creation across functions. These "knowledge boundaries" are critical challenges but also necessary due to the foundational role of specialized knowledge in organizational production (Carlile, 2002).

Carlile (2004) mentions three types of barriers that challenge organizational units in establishing common understandings:

1. **Syntactic Barriers.** Occur when the receiving unit needs to expand its technical lexicon to communicate effectively with the transmitting unit.
2. **Semantic Barriers.** Arise when the meanings of words, measurements, or outcomes are unclear to the receiving side, requiring processes to establish shared meanings.
3. **Pragmatic Barriers.** Emerge when solutions affect the different interests of involved actors, necessitating the renegotiation of practices (Carlile 2004).

Carlile (2002) explains that "different thought worlds" within functional settings lead to communication difficulties because individuals use different meanings. Additionally, individuals are often reluctant to change knowledge that has previously solved their problems, making it harder to integrate new knowledge from other groups (Carlile, 2002).

Building upon similar views of syntactic barriers, Orlikowski (2002) argues that knowledge transfer between organizations requires "translating" knowledge to make it understandable in the receiving organization's context. For instance, consultants must learn about the client organization to make their recommendations comprehensible (Orlikowski, 2002). Referencing semantic barriers, Sturdy et al. (2009) mention that consultants interpret the client's context based on their knowledge, creating new knowledge for their consultancy related to different client contexts (Sturdy et al., 2009). Furthermore, the Agency Theory, proposed by Jensen and Meckling (1976), addresses issues arising under incomplete information conditions and divergent interests between the principal and the agent (Jensen & Meckling, 1976), comparable to the pragmatic barriers of Carlile (2004). Agency Theory primarily focuses on resolving the problem of risk sharing due to the differing goals of the principal and agent and the inherent

risk the agent undertakes in performing the assigned task (Fama, 1980). The agent-principal relationship can be shown in Figure 2.6.

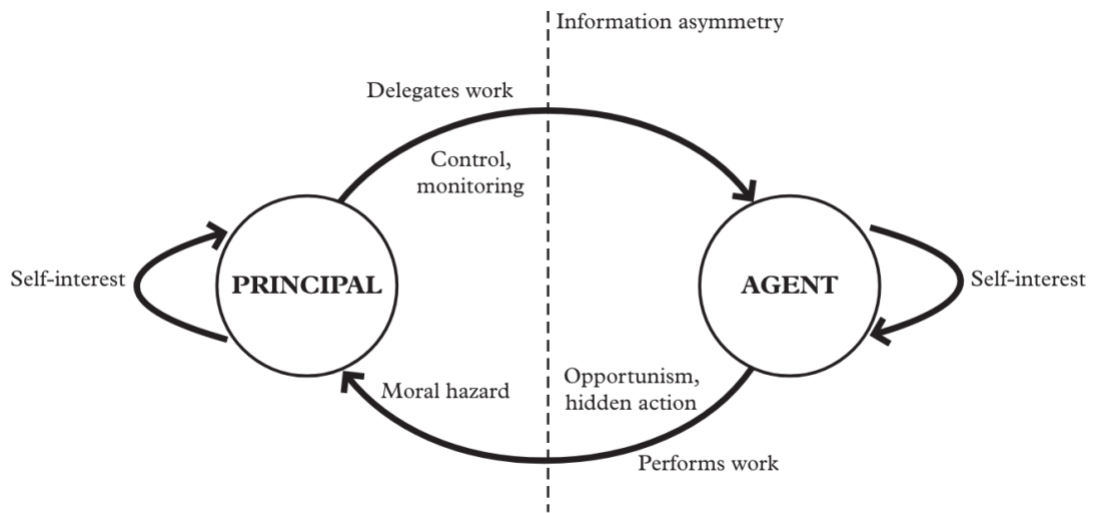


Figure 2.6: The agency theory with the assignment of work from the principal to the agent (Slyke, 2006, as cited in Snippet et al., 2015)

A vital issue in agency relationships is information asymmetry, where the agent has more information about actions than the principal, which can lead to moral hazard, where the agent takes advantage of their superior information to act in their interest rather than the principal's (Mishra et al., 1998). Agency costs are inherent in agency relationships and include:

- Monitoring costs (the cost of overseeing agent behavior),
- Bonding costs (expenses incurred by the agent to guarantee they will not harm the principal)
- Residual loss (the economic loss incurred from divergent agent actions).

Clients may use contractual agreements to align incentives or include penalties for non-compliance and bonuses for exceptional performance to mitigate these costs (Jensen & Meckling, 1976, p. 4-6). Agency Theory highlights the importance of carefully designed mechanisms, like monitoring, contracting, and bonding, to ensure engagements lead to successful outcomes (Mahaney & Lederer, 2011).

2.5 Summary of literature

Based on various authors and arguments, the literature highlights organizational hierarchies, competence, and communication. This summary consists of some of the most influential theories. Organizational hierarchical structures are based mainly on Mintzberg's (1979) theories, which articulate the impact of bureaucracy on communications and formulate central coordinating mechanisms. The review explores organizational competencies as competitive advantages articulated by Leonard-Barton (1992), among others. Turner (1999) identifies traditional methodologies with plans and processes, while Griffiths (2007) stresses the positive impact of AM in dynamic IT projects.

Studies by Gochhayat et al. (2017) argue that organizational communication and culture are vital for organizational effectiveness, while Luhman (1979, 1995, 2005) mentions that trust simplifies complexity in consultant-client relationships, and on another notion, his social systems give insight into the relationship's communications as consultants provoke changes and stimulate innovation. Widhiastuti (2012) argues that deep hierarchical structures can render organizations less responsive to changes and innovations but emphasizes that IT tools can make communication quicker and more accurate. Griffin et al. (2018) categorizes communication disturbances into process, personal, physical, and semantic barriers, while Carlile (2004) mentions syntactic, semantic, and pragmatic barriers. Finally, the costs of agency theory referenced by Mahaney & Lederer (2011) might be relevant to the communication dynamics with differences in competencies and information.

3 Research Methodology

This thesis lays the ground for theoretical debate and argumentation, which are systematic processes on the basic principles of logic and language, such as precision, validity, and completeness. The first is **precision** in applying concepts and language, including using standard terminology within the field, definitions of critical concepts, and clear reasoning regarding these concepts and their interrelations. Moreover, a sufficient level of **validity** of the argument focuses on supportable premises and the logical linkage between these premises and the argument’s conclusions or implications. Also, a sense of **completeness** in argumentation involves considering and assessing all necessary factors (Grønmo, 2021).

Methodological considerations are needed to conduct reliable and valid research. Saunders et al (2019) “onion” framework has been adopted in Figure 3.1 to give an overview of the of the choices and steps in this study (Saunders et al., 2019. p 130).

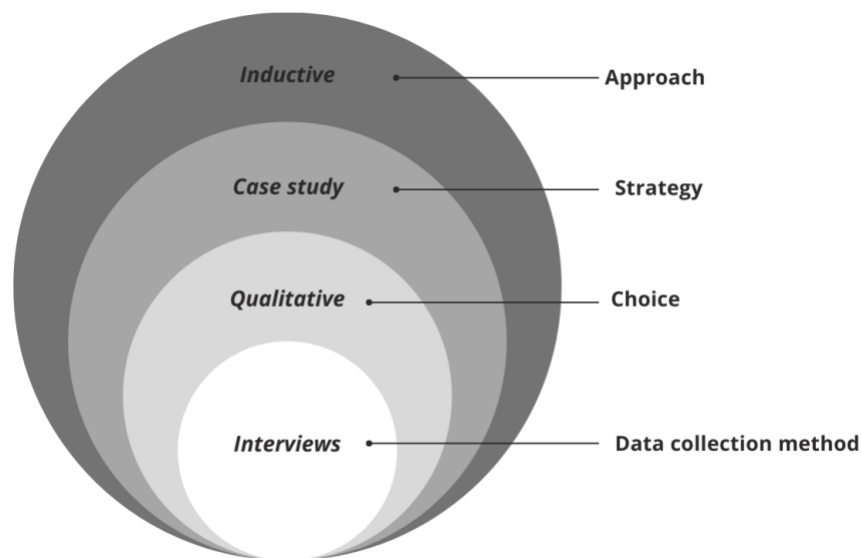


Figure 3.1: Research Process (adapted from Saunders et al., 2019, p. 130.)

3.1 Research Approach

This thesis utilizes a qualitative research approach, particularly suited for examining complex interactions and dynamics within specific groups (Grønmo, 2021). In this thesis, we explore the interaction between groups of IT consultants, sales representatives, and client product owners in inter-organizational cooperation. The qualitative approach does not focus on quantifying how frequently certain phenomena occur but rather on identifying patterns, responses to situational contexts, and the underlying dynamics at play. Unlike quantitative

research, which establishes the presence of certain phenomena, qualitative research aims to understand why these phenomena occur (Hoffmann, 2013). This approach is suited for our research as it identifies organizational differences and interprets the difference's impact on communication as respondents articulate barriers beyond the established truths and ways of their own company. We try to understand dynamics influencing organizational efficiency based on interactions between IT consultants, sales representatives, and clients to achieve new insights custom to the consultant-client relationship.

An inductive approach leverages insights from various disciplines, which involves moving from empirical data to developing theoretical insights (Thomas, 2003). This method is appropriate given the focus of this research, which focuses on analyzing the dynamics in inter-organizational cooperation without initial dependence on theoretical frameworks. The inductive approach's emphasis on progressing from empirical observations to constructing broader theoretical frameworks is aligned to develop an understanding of how organizational differences impact communication within consultant-client relationships (Saunders et al., 2019, pp. 179-180). In finding relevant questions for retrieval of empirical data, concepts like organizational structure, competency, organizational communication, inter-organizational collaboration, and strategy operationalization were explored in depth to converge with common terminology.

While deductive reasoning starts with established premises to reach definite conclusions, inductive reasoning evolves through ongoing changes. It updates theories as new data emerge, allowing for continuous adaptation. Unlike deductive reasoning, which typically adheres to initial assumptions regardless of new data, inductive reasoning remains flexible and constantly open to revisions based on new contradictory evidence. This flexibility underscores its dynamic nature (Worster, 2014, pp. 455-456).

3.2 Research Design and Strategy

The study expands the current understanding of organizational differences within inter-organizational cooperation between consulting and client entities and its potential challenges by drawing on existing literature on organizational structure, competency, communication, inter-organizational cooperation, and practical experiences retrieved from the respondents. This thesis employs a hermeneutic approach, which emphasizes continuous engagement and

gradual development of understanding, to analyze interactions between different organizational roles (Boell & Cecez-Kecmanovic, 2014). The research utilizes a case study as its primary research strategy. This approach involves an empirical investigation of a specific phenomenon within its real-world context, employing multiple sources of evidence to provide a thorough exploration (Yin, 2018, pp. 45-46). In the case study, we categorized participants into four groups: IT consultants at Bekk, sales representatives at Bekk, client product owners, and client top-level management, as shown in Figure 3.2.

The thesis has conducted interviews with three roles, excluding top-level management due to unavailability, emphasizing interpreting the significance of research outcomes and insights gathered through the interviews. Daniel Little (2008) notes that within the hermeneutic framework, the essential element of social life is the meaning behind actions, as actions constitute the foundation of social existence. These actions are significant for the individuals involved and the broader social context (Little, 2008). Thus, interpreting these meanings is critical for understanding the collected data and this study's findings from the analysis to the discussion and conclusion of this thesis.

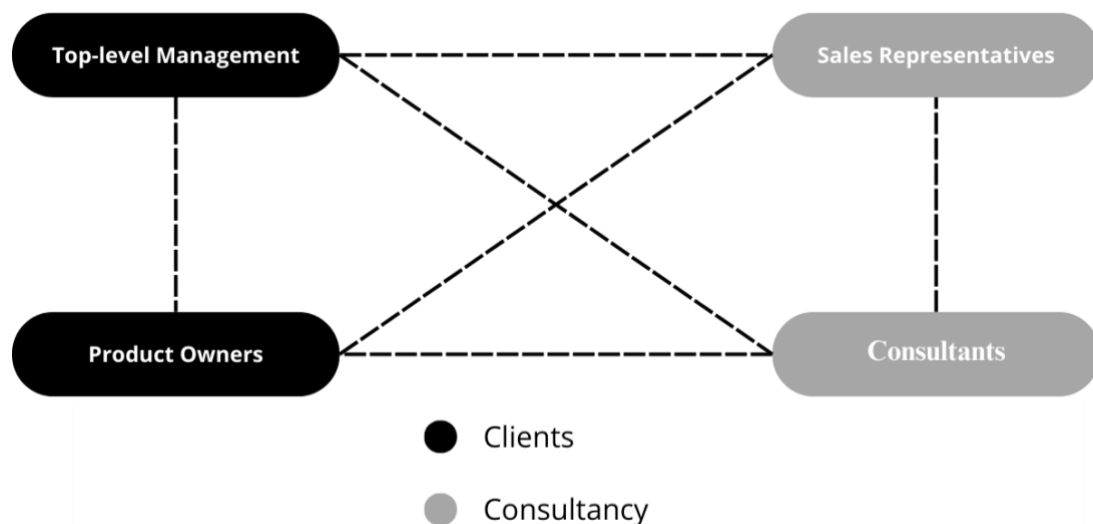


Figure 3.2: Overview of Categorization of Participants

The exploratory design of this research examines interactions among IT consultants, sales representatives, and client product owners. It also captures their insights on how top-level management, the fourth role, influences these interactions without direct engagement from this role. This design is structured to uncover how these interactions function and form the basis for the findings. Saunders et al. (2019) highlight that exploratory studies help investigate

“What” and “How” questions to gain a deeper understanding of a phenomenon, especially when its exact nature is not well-defined (Saunders et al., 2019, p. 188). This research taps into qualitative insights from interactions by employing in-depth interviews. It creates a flexible foundation for iterative analysis. This approach not only explores the dynamics at play but also refines theoretical insights from the empirical data, enhancing the depth and comprehensiveness of the research findings by researching the interactions between different roles (Ritchie & Lewis, 2003, pp. 141-142).

3.3 Problem definition

Developing a research question is an iterative process that takes time (Jacobsen, 2022). Given the extensive research on inter-organizational collaboration, many potential research aspects exist. However, this study landed on organizational research, focusing on organizational differences within the consultant-client relationship and their impact on communication. It intends to identify differences, communication barriers, and mediation to improve future inter-organizational dynamics between consultants and clients in the IT project context.

The problem definition ultimately formulated was:

- *How does organizational differences impact communication within consultant-client relationships in IT projects?*

To address this question, we developed three research questions:

- *RQ 1: What **organizational differences in hierarchy and competencies** are identified within these **relationships**?*
- *RQ 2: How does **organizational differences in hierarchy** impact **communication**?*
- *RQ 3: How does **organizational differences in competencies** impact **communication**?*

This research question is descriptive, focused on a situation and describing the characteristics of the phenomenon studied (Jacobsen, 2022). This approach allows us to capture more nuances and details, leading to a deeper understanding of the phenomenon (Ritchie & Lewis, 2003, pp. 214-215). Understanding how organizational differences impact communication in the consultant-client relationship can bring insight into these dynamics within the context of enhancing consulting as a professional service and enable clients to improve organizational efficiency.

3.4 Data Collection Method

This research involved conducting nine semi-structured interviews, each lasting 45 to 60 minutes, to gather qualitative data. The respondents included four IT consultants, three sales representatives within Bekk, and two client product owners who have experienced Bekk's consulting services. The interviews helped us understand the nuances of each role in the hierarchical structure and secure multi-faceted observations on differences and communication flows.

Microsoft Teams were leveraged for digital interviews, allowing for flexibility regardless of location and consistency in the data gathered (Saunders et al., 2019, pp. 436-437). A contact at Bekk assisted in finding relevant respondents. Before the interviews, we sent an orientation letter about the thesis, an interview guide, and a Norwegian Centre for Research Data (NSD) agreement to ensure the respondents were fully informed about the research's purpose, the nature of their participation, and the ethical considerations involved. The interview guide was adapted to each group's specific role to ensure the questions were relevant and elicit detailed and valuable responses. The study sought to keep the guide as similar as possible but to iterate it to the respondents' perspectives (Bird, 2016). Figure 3.3 shows an overview of the process.

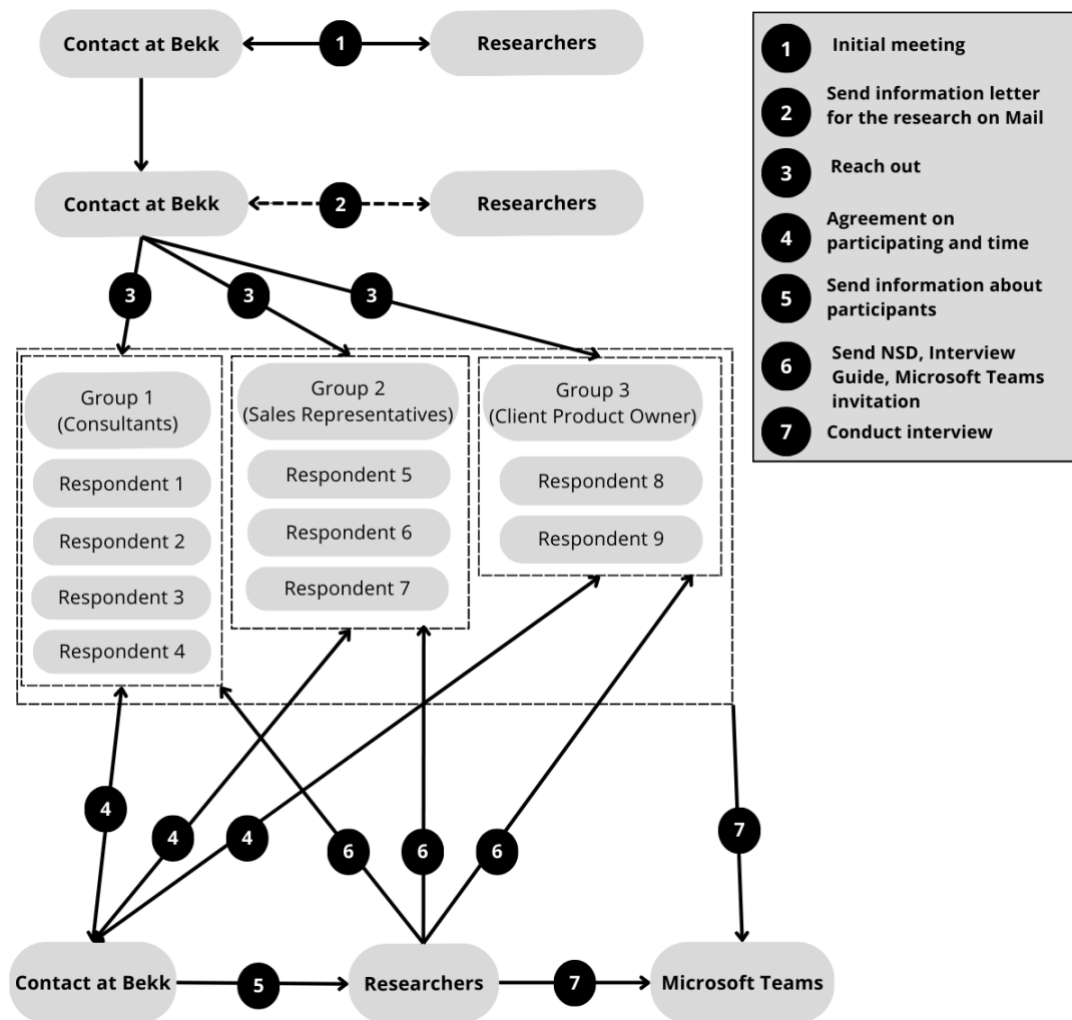


Figure 3.3: Process of Collecting Data.

The interviews were a crucial first step in retrieving empirical data from the respondents before analysis and comparing the results with theoretical frameworks in the discussion. While much of the existing literature provides a generalized overview of hierarchy and competence barriers or focuses broadly on overhead communications or inter-organizational cooperation, this study combines hierarchical communication with competence gaps in the specific inter-organizational environment with IT consultants. The empirical data will reveal how IT project dynamics represent a shift compared to previous research.

3.5 Data analysis

The transcription process transferred interviews into detailed documents, which was time-consuming but essential, as it allowed for a level of familiarization with the data in-depth (Saunders et al., 2019, pp. 644 - 645). The research utilized NVivo 14 to code the statements from these transcripts as part of the analysis, leading to the results. This encoding process is

evident in the findings, as all findings and further conclusions result from analyzed statements (Saunders et al., 2019, pp. 461-464). It was a priority to ensure that the content remained almost verbatim to facilitate direct quoting to give the readers insights into the analysis, as seen in the results of Chapter 4.

The collected empirical data were organized into sections to gain nuanced insights before establishing empirical findings. The sections included background information about the respondents, a general section covering themes related to inter-organizational collaboration, and three sections to analyze the perspectives from the different respondent roles. These perspectives focused on interactions between roles, organizational differences, impact on communication flow, and organizational efficiency in strategy operationalization. The distribution of codes across these themes is shown in Figure 3.4.

- A. Respondent Background and Roles
 - 1. Industry Experience
 - 2. Core Competencies
 - 3. Responsibility and Influence
 - 4. Types of Projects in Cooperation
- B. Interorganizational Cooperation
 - 1. Formal Structure Between the Organizations
 - 2. Drivers of Cooperation Initiation
 - 3. Cooperation Effectiveness
 - 4. Trust Building and its Impact on Project
 - 5. Technological Collaboration Tools for Efficiency
 - 6. Enablers of Strategy Operationalization Using Consultants
 - 7. Barriers to Strategy Operationalization Using Consultants
- C. Consultant Perspectives
 - 1. Communication of Strategy
 - 2. Evaluating Strategic Impact and Outcomes
 - 3. Influence of Strategy Adjustments
 - 4. Organizational Differences
 - 5. Interaction with Client Leadership
 - 6. Interaction with Sales Representative
 - 7. Interaction with Client Product Owner
- D. Sales Representative Perspectives
 - 1. Communication of Strategy
 - 2. Evaluating Strategic Impact and Outcomes
 - 3. Influence of Strategy Adjustments
 - 4. Organizational Differences
 - 5. Interaction with Client Leadership
 - 6. Interaction with Consultants
 - 7. Interaction with Client Product Owner
- E. Client Product Owner Perspectives
 - 1. Communication of Strategy
 - 2. Evaluating Strategic Impact and Outcomes
 - 3. Influence of Strategy Adjustments
 - 4. Organizational Differences
 - 5. Interaction with Client Leadership
 - 6. Interaction with Sales Representative
 - 7. Interaction with Consultants

Figure 3.4: Distribution of Codes Across Theme.

The researchers approached the analysis with an open mind, using an inductive method, as Thomas (2003) and Jacobsen (2018) suggested. The open approach means little to no initial predefined theoretical research but allows the data to guide the analysis. Thematic analysis distills significant themes from the data (Braun & Clark, 2021). Initial coding included frequently mentioned or particularly insightful data.

After the initial coding, the empirical data formed broader groupings. These groupings formed the basis of the findings presented in the results (chapter 4), providing structured insight into identified organizational differences and specific aspects of their impact on communication within the client-consultant relationship. The methodical approach of discussing empirical findings in relation to established theories and previous research ensured that conclusions represent balanced views on the phenomenon explored (Braun & Clark, 2021).

3.6 Research Quality

The research method is chosen to provide depth, flexibility, and a comprehensive perspective by incorporating diverse viewpoints from within the interactions of the different respondent, which are ideal for exploring the intricacies of client-consultant dynamics. Saunders et al. (2019) outline reliability, validity, transferability, and generalizability, which affect the quality of research methods.

Reliability concerns the consistency of the measurement, and the extent to which the data collected can be considered reliable (Saunders et al., 2019, p. 449). This research's data originates directly from the interviews conducted with informants at Bekk and their clients. The risk of misinterpreting responses is mitigated by employing follow-up and clarifying questions to ensure clear understanding and interpretation.

Validity is contextual to the analysis process and the data's relevance to the research problem. The study obtains a more accurate picture of the subject matter when data comes from informants directly involved in the studied processes (Saunders et al., 2019, p. 451).

Transferability refers to the extent to which the study's findings can be applied to different contexts, allowing one to judge whether the findings are transferable to other settings (Saunders et al., 2019, p. 217). The specific experiences and conditions encountered in the cooperation

between Bekk, and clients may facilitate a more straightforward generalization of similar scenarios within the consulting industry specific to IT projects.

Generalizability concerns how the findings can be applied to other contexts or settings (Saunders et al., 2019, pp. 450-451). Given the qualitative nature of this study and its focus on this specific type of inter-organizational relationship, while direct generalization may be limited, the thematic analysis and identified patterns could offer valuable insights for other consulting firms and their customer interactions.

Efforts have been made to ensure validity and maintain reflexivity by transparently discussing the research process and the interactions within the study. This transparency helps effectively assess the quality and applicability of the research findings.

3.7 Ethical Considerations

In the research involving semi-structured interviews with IT consultants, sales representatives, and customers of Bekk, we prioritized ethical considerations to protect the rights of the research participants, secure research validity, and uphold the study's integrity and trustworthiness (Bhandari, 2024). We obtained NSD consent forms from all respondents, ensuring they understood the research aims, their role, and how we intended to use the data gathered. We emphasized their freedom to withdraw at any point, affirming voluntary participation.

3.8 Artificial Intelligence Considerations

In this thesis, it is essential to outline the use of Artificial Intelligence (AI), particularly as its application across various fields is expanding. AI tools like OpenAI's ChatGPT are designed to produce text virtually indistinguishable from human-generated content (Kar et al., 2023). This capability raises the necessity to explicitly state the role of AI in this research to ensure transparency and integrity in responsible application.

AI has been employed to refine the language, edit sentences, and professionalize the presentation of this research (Lund et al., 2023). However, AI has not been used to generate new information or navigate the numerous processes underlying the thesis. While AI offers significant advantages in terms of efficiency, there is an awareness that its generative capabilities can produce inaccurate outputs and jeopardize efficiency and reliability. Therefore,

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this research is grounded in verified information and conventional research methodologies with manual literature research, original data, and independent analysis. AI tools have been utilized conveniently in formatting and language refinement.

4 Results

The results section explores empirical data from interviews conducted in the case study of Bekk and presents the empirical findings from the three roles with varying perspectives. The examination identifies organizational differences in hierarchy and competencies, with specific insights related to communication. The roles of the respondents are represented in Table 4-1.

IT Consultants	Sales Representatives	Client Product Owners
<ul style="list-style-type: none"> • Respondent 1 • Respondent 2 • Respondent 3 • Respondent 4 	<ul style="list-style-type: none"> • Respondent 5 • Respondent 6 • Respondent 7 	<ul style="list-style-type: none"> • Respondent 8 • Respondent 9

Table 4-1: Roles of Respondents

4.1 Differences in Hierarchies

This section reveals empirical findings related to identification of differences in organizational hierarchies in the consultant-client relationship.

Respondent 1 describes the organizational structure of Bekk as *flat*, “*we’re seen as a very flat organization without a steep hierarchy ... Our structure is more about different groupings within the company that may have some relations to each other ... While there are leaders, there are hardly many levels, which is quite different from all the clients I’ve visited. There, the hierarchy is more pronounced, and your position within the company structure is more clearly defined.*” which highlights the flat and less steep structure at Bekk over a rigid hierarchical ladder. The hierarchical difference is supported by Respondent 7 , “*I would say Bekk has almost no hierarchy compared to our clients.*”.

Respondent 2 elaborates on the correlation between organizational size and hierarchy depth, where hierarchy is more pronounced in larger entities, which facilitates a complex leadership dynamic, “*The level of hierarchy usually correlates with the size of the client. Larger clients tend to have more complex organizational structures and thus, more hierarchy ... Leadership within a large organization is complex, with many layers.*”. Respondent 9 confirms this

Results

observation, *"We're a large company with over a thousand employees ... we have many layers of leadership, suggesting a more pronounced hierarchy from the top down."*, which supports the notion that larger organizations possess more complex hierarchical systems.

Respondent 3 confirms hierarchical differences and points out operational differences tied to hierarchy, *"Hierarchies seem to be more prominent in my client's companies than in my own ... We have a hierarchy, but it's less about titles and more about task division ... Clients often have traditional structures with roles tied to pay grades, and upward mobility is marked by new titles even if the job remains the same."*

In general, the IT consultants, sales representatives, and client product owners agree that consultancies usually have a flatter structure than the organizations they collaborate with.

4.2 Hierarchies Impact on Communication

Insights from the respondents reveal how organizational structures with varying levels of hierarchy impact communication in the context of IT projects.

Communication in Organizational Structures

Flatter organizational structure seen at Bekk promote direct and open lines of communication, reflected in the empirical observation from respondent 1 *"In my company's flat structure, it's easier to know whom to approach, and I feel more empowered to take action. If an issue arises from my decision, it's addressed constructively ... this flexibility and informal approach in a flat structure streamline processes, unlike the formalities and delays encountered in a hierarchical setup."*. Hence, reduced amounts of managerial layers in Bekk facilitates quicker decision-making, enabling a more dynamic response to issues as they arise.

Hierarchical organizations can face communication barriers stemming from their layered structure in contrast to flatter structures. Respondent 2 notes, *"More hierarchy leads to a greater separation of concerns within the organization. This can create challenges, especially when we're introducing new IT concepts that may require shifting out of established lanes ... Clients might find it challenging to step out of their defined roles and directly communicate with someone from a different department due to established rules."* Reflecting that hierarchy can create predefined communication flows with barriers across layers and departments.

Results

However, consultants can find ways to navigate these challenges by establishing direct communication lines with key decision-makers in client organizations. As respondent 4 explains, *“At Bekk the hierarchy is very flat, which contrasts with the more pronounced hierarchies in larger organizations ... this difference can affect collaboration, as we usually interact directly with a product owner at the client's side, kind of bypassing the traditional hierarchical structures.”*.

Empirical data indicates that *larger organizations typically found within client organizations have departments that focus on specific tasks and operate in silos*. Respondent 7 mentioned, *“larger companies might have more siloed departments focusing on their specific tasks.”*. Respondent 9 reflects on a semantic barrier in maintaining strategic clarity, stating *“The space we're in is constantly changing, making it difficult even for top management because things change so quickly now. You have to keep adapting all the time.”*.

Levels of Interactions

Interactions between the interviewed roles, namely IT consultants at Bekk, sales representatives at Bekk, client product owners, and client top-level management are varying. This study has no interviews with the client top-level management, but an overview based on views of the three other roles. Based on the empirical findings, the interaction between IT consultants in Bekk and client top-level management is minimal, while the interaction between top-level management and client product owners tends to be more frequent. The interactions between top-level management and sales representatives tend to be medium frequent, as well as with the IT consultant. Product owners serve as a communication link between the IT consultants and the client organization and tend to communicate less directly with sales representatives. Interactions varies depending on the size of the client organization. An overview of the interactions between roles can be shown in Figure 4.1

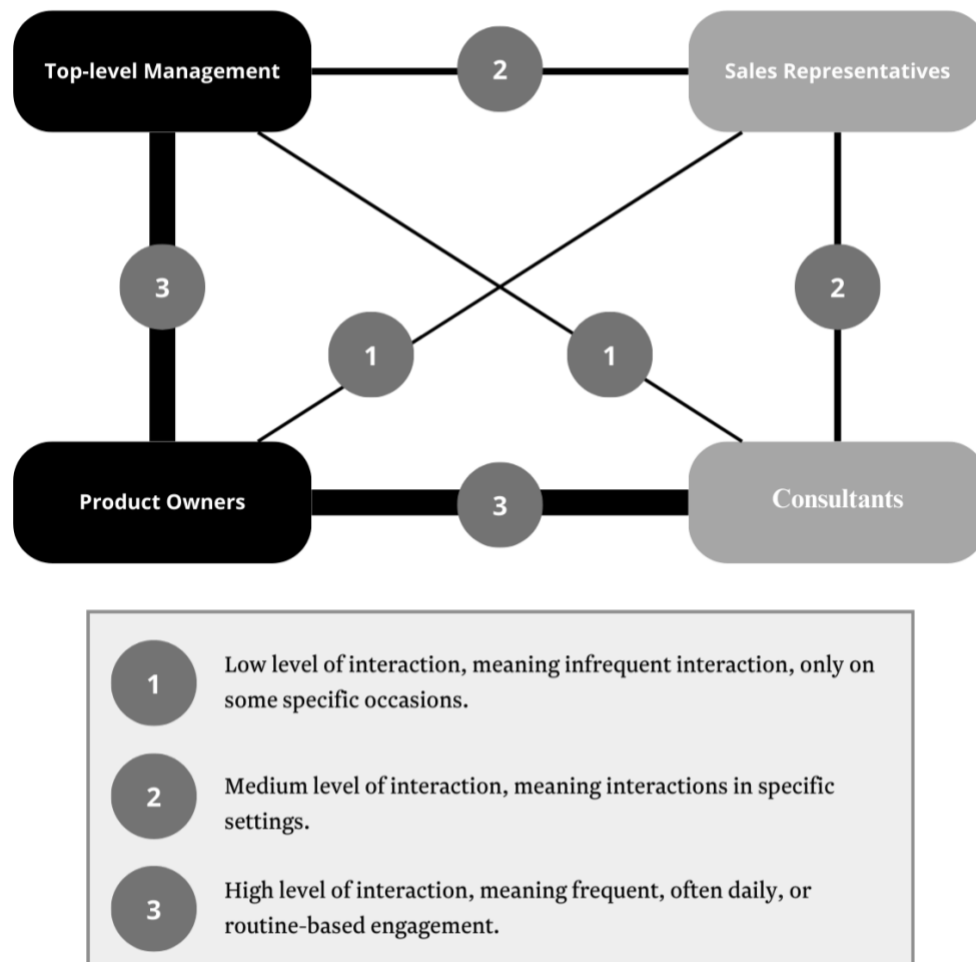


Figure 4.1: Classification model of interactions.

Infrequent direct communication between consultants and top-level management. The data indicates that interactions between consultants and management of the client side are infrequent and occur within structured contexts. Respondent 2 mentions, "I occasionally interact with leadership, primarily for presentations or significant milestones." This suggests that direct communications with top management are formal and reserved for critical occasions.

Structured communication forums between consultants and top-level management. Scheduled meetings serve as the primary forum for interaction with client leadership, as described by respondent 3, "As for the client's organizational leadership, we have status meetings at least once a month to keep them informed of the project's progress. Not every team member may be present, but the project lead from our side and the product owner, who is deeply involved, will be there to ensure any questions are addressed."

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Challenges in aligning with strategic goals. A significant issue highlighted is the need for more clarity regarding how consultants work aligns with the company's overarching goals. Respondent 4 expresses this concern, *"It's not always clear to me how what we're doing contributes towards the company's overarching goals ... I don't usually leave with the impression that it's obvious which of the company's strategic goals we're here to support."* which indicates potential barriers in communication and clarity that could affect the effectiveness and relevance of the consultant's contributions.

Proactive alignment efforts by consultants. Respondent 2 provides an example of proactive alignment *"Once, we deconstructed a company-wide vision statement to establish specific goals for our team. We interpreted what being accessible to everyone meant for us, how to excel in our services, and ensure our product was tailored to the target market."*

Uncertainty in roles and decision-making authority. Identifying the decision-making authority within the client organization can be challenging. As respondent 1 points out, *"One major challenge I often face with clients is determining who has the authority to make decisions."*

Frequent direct communication between consultants and product owners. Consultants frequently interact with product owners. Respondent 2 describes their experience, *"I often communicate with middle management and not necessarily with top directors ... There are two scenarios I encounter with product owners. One is the middle management product owner, whom I might speak with a few times weekly. The other is a product owner who is part of the product team; communication with them is daily."* Hence, product owners who are embedded in the team facilitate more frequent and effective communication. Respondent 4 echoes this sentiment, *"We usually interact with a person like a product owner, who we do most of our communication with ... We meet or at least have touchpoints with the product owner daily since they are part of the team and involved in all major decisions."* These daily interactions ensure that consultants are consistently aligned.

Communication between consultants and product owners is improved by informal and social interactions. The product owner often acts as a member of the team. As respondent 4 points out, *"The Product Owner is usually deeply involved in the team, almost like a regular team member. We work closely, sitting together, and cooperate on solving the same challenges."* Informal interactions play an essential role in ensuring seamless communication.

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As respondent 8 notes, *"We are quite flat in terms of interacting with each other. For instance, I sit with the team, join them for lunch, and participate in social activities ... I'll be there in the background and eating lunch with them and welcoming them and just providing the context that they'll be operating in."* Respondent 4 discusses the significant impact of the product owner, *"I think it's (project success) usually when the right things are communicated to the team through the product owner, most likely, and the team is able to understand those goals or strategies and have some flexibility to best contribute towards that goal."*

Challenges due to ineffective strategy communication. Challenges can arise when strategies are not communicated effectively. Respondent 4 highlights potential communication barriers, *"Sometimes, the strategy isn't communicated well to the team, or the team has to figure out their role in the larger picture, which can be fine, but it requires effort to understand and align their work with overarching strategies."*

Interactions with sales representative are issue-driven. The internal interactions between consultants and the sales department are allegedly issue-driven rather than routine. Respondent 2 notes, *"I speak with sales very rarely, usually when there's a specific issue or uncertainty - perhaps when the client asks for something extra and I need to confirm if it's covered by our contract, or for general contract inquiries."* The communication with sales tends to occur at critical junctures, such as before the initiation of a new project as respondent 4 explains, *"I have very little interaction with sales. It's usually at the point where I'm about to be assigned a new project that I hear anything."*

Intensive early phase interactions between product owner and top-level management. During the initial phases of a project, internal interactions within client organizations tend to be intensive, involving several meetings and presentations. Respondent 9 describes this early phase, *"Before we received the necessary confirmation to proceed with the project, we held several meetings and presentations discussing the necessity and strategy for engagement with Bekk."*

Structured interaction frequency post-commencement between product owner and top-level management. Once the project commences, the frequency of interactions changes to a more structured schedule. Respondent 9 notes, *"Now that the project is underway, we have bi-weekly*

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meetings with a designated group tasked with overseeing the project. ... we update group management on progress, issues, and significant decisions."

4.3 Differences in Competencies

This section focuses on the empirical findings regarding differences in organizational competencies and their implications for communication in IT projects. Comparison of competencies between the three respondent groups are classified in the chart below to showcase trends in the empirical findings. The IT consultants of Bekk possess higher levels of core technical competencies in IT. At the same time, the client product owners tend to have less IT knowledge but significantly more industry knowledge. The sales representative tends to have more general knowledge. This is visually represented in Figure 4.2.

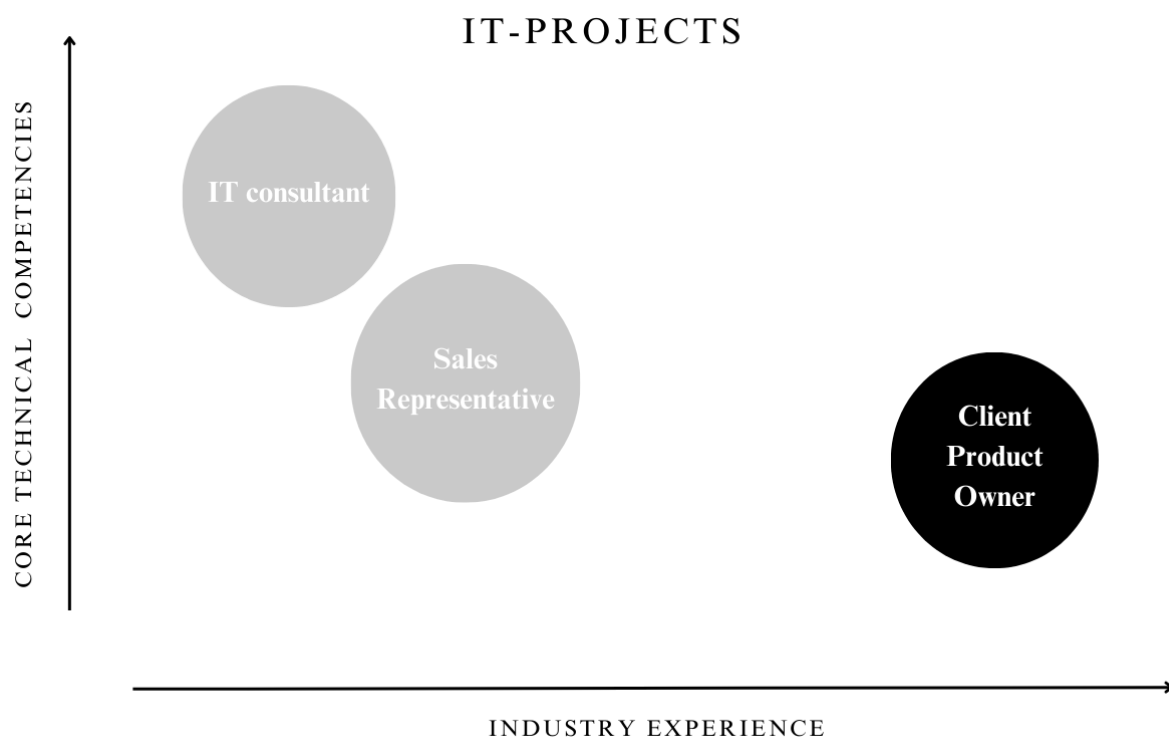


Figure 4.2: Relational Model of Technical Competencies and Industry Experience based on Respondent's Statements.

Core Technical Competencies

Consultants possess formal education in computer Science. Consultants emphasize core competencies with aspects of IT. Respondent 1 said, "I'm a developer by trade, having studied programming and computer science," which showcases the technical education and expertise. Further emphasizing the technical focus, respondent 3 highlighted, "...technical stack on some

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projects, but I'm primarily a full-stack developer." Meanwhile, respondent 4 shared *"bringing programming and tech expertise, like in certain languages or cloud solutions."* illustrating the knowledge consultants bring to their projects.

Consultants possess significant focus on problem solving. Respondent 2 elaborated on their role, *"I excel in programming and problem-solving ... It's often been about transitioning from older digital tools to newer ones, which is a substantial part of my job."* which indicates a focus on practical, solution-oriented skills essential for navigating the technological landscape.

Sales Representatives Possess Competency at The Intersection of Business and Technology. Respondent 7 stated, *"Being in the intersection between business and technology is my core competency."* Respondent 5 described a blend of competencies, *"My core competencies, which I've also brought into sales, include people skills, coaching, and a commercial edge ... I have a technical background with five years of computer science study ... My strengths have always been more on the people side and the commercial side."*

Clients Hire Consultants for Software Development. Respondent 8 noted, *"the company generally hires consultants for software development, which is a significant part of our use of consultants."*

Homogeneity in educational and professional backgrounds among consultants. The observation about the composition of consultancy firms was made by respondent 9 statement, *"in a consultancy firm, the staff might be more homogeneous in terms of education and background."* suggesting that consultants often come from similar educational trajectories, particularly in fields that demand a high degree of technical competence.

Consultants possess less industry experience but are adaptable. Respondent 6 illustrates this approach by saying, *"I haven't specialized in any industry. We tend to be generalists ... We are adept at getting industry knowledge and usually collaborate with client-side experts for industry-specific insights ... Our company is composed mostly of generalists who joined us straight from university without prior industry-specific experience."* which highlights broad but not necessarily deep industry experience, along with the ability to quickly absorb and apply new industry knowledge.

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Methodological Competencies

Methodology is core to Bekk's organizational competence. Respondent 1 from Bekk highlighted, "*Methodology is central to our work as an IT consultancy ... This emphasis on methodology is not as prevalent among our clients, who may have a fixed way of working based on past practices.*" which suggests that while Bekk prioritizes methodology as a core aspect of its service delivery, clients may not.

Clients adhere to rigid methodologies. Respondent 2 further elaborates on the methods in the relationship, "*Clients often have set processes and methodologies that can be rigid and difficult to change, particularly in larger organizations that require standardized approaches ... Bekk promotes a flexible approach to methodology, encouraging the use of whatever tools or practices are necessary to achieve results.*".

Bekk's methods are more adaptive compared to client's methods. Yet respondent 4 notes, "*Our work methodology is focused on establishing efficient working teams and adapting to the client's needs ... Bekk's approach to teamwork and collaboration is often more defined and agile than what might be found in client organizations.*" Hence, the respondents indicate that consultancy methodologies are flexible, and dynamics are also designed to be more agile and responsive compared to the more static structures found at referenced clients.

Clients acknowledge high levels of methodological competency in consultancies. From the client side, respondent 8 remarks, "*I believe work methodology is more structured in consultancy companies like Bekk compared to us.*" which indicates a wide but not necessarily deep industry experience, combined with the ability to rapidly learn and apply new industry knowledge.

Bekk's methodologies are influenced by digital focus. As respondent 7 points out, "*Most of our work is purely digital, which defines our methodology ... At some clients, IT is not their primary focus, influencing their work methodology significantly.*" which highlights how Bekk's digital-centric approach can differ from client organizations where IT may not be as central and potentially lead to different approaches in project execution. *Digital focus shapes how competencies are utilized.* The use of digital tools and the dynamics of team interactions also play a role in how communication and cooperation skills are applied. Respondent 5 said, "*Our*

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way of working might be different in how we use digital tools and how we communicate with each other."

Interpersonal Competencies

The role of the consultants not only requires technical expertise but also demands adaptability and strong social skills to navigate varying client relationships.

Social events are core to the organizational culture at Bekk. As described by respondent 1, *"Social events are integral to my company, with at least two events weekly, fostering a strong social culture not commonly seen at client sites, where social gatherings are less frequent."* Respondent 3 echoes this sentiment, noting the correlation between company size and social activities *"The degree of inclusion often seems to be related to the size of the (client) company ... I feel that social activities are more emphasized within my own company than with our clients."* These statements suggest that consulting companies like Bekk can more easily integrate and emphasize social activities compared to larger client organizations where such activities may be less frequent or emphasized.

Consultants must adapt across clients which requires solid interpersonal competence. The consultants in this study must interact with a diverse range of clients, necessitating a degree of adaptability and effective communication. Respondent 1 explains, *"As consultants, we encounter diverse clients and must adapt to collaborate effectively with each."* Cooperation skills are emphasized within consulting firms, involving teamwork and collaborative problem-solving. Respondent 3 highlights, *"Cooperation skills are crucial in consulting. Unlike some jobs where you might work independently."* A further emphasis on these skills at Bekk is noted by respondent 4, *"Cooperation skills are highly valued at Bekk."* This reinforces that consulting is predicated on knowledge expertise and the ability to work effectively within teams and across organizational boundaries.

The culture within a consulting firm may stimulate cooperation skills. Respondent 7 encapsulates this sentiment by stating, *"Being in consulting, cooperation and the ability to work across different parts of an organization are embedded in our DNA ... the ability to cooperate effectively is something we value highly and see as a strength."*

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Homogeneity among consultants may cause more social and subject matter events. Bekk's social culture is impacted by a relatively homogeneous demographic, which affects the cohesion of social interactions. Respondent 4 points out, *"Social culture at Bekk is quite homogeneous, with a young average age and similar life phases among employees ... which is not always the case at client companies with a wider span of age and different personal types."* Respondent 6 further elaborates on the demographic influences on social culture, *"Our social culture is distinct, reflecting that we're a relatively young (aged) organization. You get much more social interaction ... We're a homogeneous group with similar backgrounds, which shapes our culture."* The younger, less encumbered demographic at Bekk facilitates a more active social culture than client organizations, where employees might have more varied life responsibilities. From the client's side, the perspective on social culture also acknowledges differences. As respondent 8 observes, *"I think Bekk is better at organizing social gatherings and subject matter events. Their structure accommodates these well, and they are generally younger, which is typical for consultancy firms ... It speaks to our life situations and the capacity for socializing outside of work. Naturally, we are less structured than Bekk."*

4.4 Competencies impact on communication

The insights from the respondents reveal how difference in competencies impact communication in the context of IT projects.

Success for a consultant requires adapting to clients with technical, methodological and interpersonal competencies. As respondent 8 notes, *"The factors that contribute to their success are the competency level, collaboration, and communication skills."* which underscores that technical expertise coupled with collaboration and communication skills is vital for aligning project goals and ensuring smooth information flow. Respondent 1 notes, *"We're expected to be adept in various methodologies, tailoring our approach to solve problems effectively ... Bridging this gap (with the client) and agreeing on a suitable methodology for project execution often presents a challenge,"* which highlights the importance of methodological competencies in aligning consultancy practices with client expectations. Indicating that customizing methodologies is essential for communication and productive discussions between consultants and clients.

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Trust and transparency are essential for success, and pragmatic barriers can emerge when lacking these. Moreover, respondent 3 emphasizes, *"Trust and transparency are essential for success and without them, projects can struggle."* Which suggests that when trust is lacking then communication barriers arise. Respondent 3 also describes the impact as, *"Success often hinges on the trust between the client and our consulting firm ... When both sides have confidence that we're focused on achieving the project's goals rather than just accruing billable hours, it marks a significant step forward ... Establishing this trust is fundamental for exceptional operationalization of the client's strategy."* Indicating that trust ensures that communications are geared towards mutual understanding and achieving shared objectives.

Agile Methodologies (AM) can positively transform client operations and Communications. Respondent 6 explains, *"Our mission has been to encourage our clients to adopt more modern methodologies, like lean and agile practices ... This has involved guiding them away from running large projects and towards more agile operations."*, which reflects the consultancy's proactive role in influencing client communication strategies, and how methodological expertise can drive the transformation of client operations. Respondent 7 adds, *"We adapt our methodologies to match the digital maturity and specific needs of each client."* This adaptation is a testament to the consultancy's ability to implement customized methodologies to each client's unique context.

Adaptive methodologies are essential in maintaining communication flow with client strategies. Respondent 6 elaborates, *"Our approach is to focus on agility to meet clients' strategic goals, utilizing methodologies like OKRs to ensure we're on target. This is a continuous process, adapting as needed to ensure we're doing the right things effectively ... Success often comes when clients are receptive to feedback and willing to adopt modern ways of working ... We find the most success with clients who are open to our methods, which makes them particularly satisfied with our services as a consultancy."* The quote reveals how methodological competencies reduce semantic barriers and facilitate strategic alignment through adaptable communication flows that align with client success and satisfaction.

Social culture impact knowledge-flow and performance. Respondent 1 notes, *"Having a pronounced social culture is vital for us to maintain team cohesion and morale ... The social culture at my company helps us integrate and perform swiftly within new teams, thanks to*

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familiarity built through social events.". The quote emphasizes the importance of a robust social culture in fostering knowledge-flow and secure performance within teams, suggesting that social interactions outside formal work settings significantly enhance team dynamics and effectiveness.

Informal interactions contribute to stronger relationships and communication among team members. As respondent 5 remarks, *"You get more interaction between people outside of working hours."* This observation suggests that informal interactions after work can contribute to building relationships among team members. Respondent 4 underscores the importance of communication skills in consultancy, *"We're often selected for projects because of our ability to work well in teams and adapt to new environments."* highlighting adaptability as a critical attribute that facilitates effective teamwork and project success. Respondent 6 stated, *"Our consultants are adaptable, approachable, and skilled at engaging with various people and industries, which allows them to integrate well socially with our customers ... many of their employees excel at treating us as integral to their team."* In this situation, the focus is on the consultant's ability to integrate into client teams, indicating that interpersonal communication skills are essential. Respondent 8 stated, *"Because site companies need to integrate diverse individuals, they may have developed stronger cooperative skills out of necessity."* Which illustrates that such competencies are crucial for communicating in complex teams, suggesting that these competencies are honed out of necessity in varying project environments. Respondent 9 stated, *"As a consultant, lacking cooperation skills can be detrimental ... if a consultant is building something for a client, they must be able to work well with a variety of people ... personal chemistry is crucial; without cooperation or people skills, a consultant wouldn't be considered for our projects."* which directly links the consultant's interpersonal abilities to their likelihood of being chosen for projects and emphasizing the importance of these competencies in achieving successful engagements. The effectiveness of communication skills is intertwined with technical competence, impacting client perceptions. As respondent 8 stated *"Competence and communication skills are the most important. It's about finding the right competence because it's usually quite specific within our field ... Their communication and collaboration skills, the overall profile of the person, are also factors we consider."*

5 Discussion

This chapter discusses empirical findings, in connection with the reviewed literature when relevant, to address the research questions of the thesis.

5.1 RQ1: What organizational differences in hierarchy and competencies are identified within these relationships?

The empirical data highlights distinct differences in hierarchy between the consultancy Bekk and its client organizations. Bekk operates with a notably flatter organizational structure characterized by fewer management levels and a focus on flexibility. Such a flat structure enhances direct communication and swift decision-making, as stated in the research findings and Bennet and Tomblin (2006). In contrast, Bekk's client organizations exhibit more pronounced hierarchical structures with multiple layers of leadership and defined roles.

While client organizations in our case study feature signs of highly centralized and deep hierarchical structures, it is possible to consider clients as having a varied span of possible organizational structure models beyond the scope of this thesis and not conclude that clients operate solely within the pronounced hierarchical framework of Mihm et al. (2010). However, compared to Bekk's notably flat structure, the client organizations display characteristics that are more aligned with deep hierarchical structures. This hierarchy may be natural when most client organizations are larger and have corresponding complex layers of authority and operations referenced in the empirical findings.

The empirical findings reveal significant differences in competencies between consultants at Bekk and their client organizations. Bekk's consultants highlight their organizational competencies as combining technical knowledge with solid interpersonal and methodological abilities. Empirical findings indicate that Bekk is adaptable and employs modern Agile Methodologies (AM) to enhance IT project flexibility and client interactions. Moreover, findings emphasize specialized core technical competencies with general business knowledge and broad industrial adaptability. This width allows Bekk to customize approaches based on clients' needs and digital maturity to ensure effective communication and organizational efficiency.

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In contrast, the empirical findings show that client organizations rely on more rigid, traditional methodologies and may emphasize different interpersonal and methodological competencies than seen at Bekk. The findings indicate that specific client organizations can face challenges adapting to the pronounced differences in competencies when IT consultants bring AM and core technical competence in integrating technological solutions because clients less emphasize core technical IT competencies and more traditional methodological competencies. These challenges support the identification of differences in organizational competence and align with Carlile's (2004) definition of syntactic barriers in cross-functional communication.

5.2 RQ 2: How does organizational differences in hierarchy impact communication?

Mintzberg (1979) suggests that in hierarchical organizations, communication often flows vertically, which can slow down information transfer and decision-making processes. Empirical findings support that hierarchical client organizations exhibit limited interaction between management and consultants, affecting decision-making efficacy. Moreover, the high levels of interaction between Mintzberg's middle line and operating core are consistent with the hierarchical structures observed in client organizations, namely between product owners and consultants. The vertical communication flow may impact decision-making, as semantics in the strategic apex at top-level management demand consultant's actions. At the same time, daily realities may lead to semantic barriers or disconnection in communication.

Our findings indicate predefined formal communication channels that move vertically within project execution. Formality manifests as structured and protocol-driven interactions, which may stifle open dialogue and spontaneous exchanges. In the context of the low consultant-management interactions observed in the empirical data, communication occurs with formal and structured feedback. For instance, consultants might only interact with client leadership during status meetings or significant milestones.

This vertical formal communication flow can slow information dissemination and reduce responsiveness to changes, which is unfavorable when working with the development cycles of modern AM. This inconvenience aligns with Renani et al. (2017) note that communication becomes more ineffective when organizational formality increases. Schein (1997) highlights that rigid communication channels in hierarchical structures can impede the flexibility required

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for modern methods. Slow communication paths in hierarchical structures stifle development in AM as cycles rely on quick feedback loops and constant communication. In contrast, a flat hierarchy enhances flexibility and fast decision-making by reducing the managerial layers, as Mintzberg (1979) suggested, which is crucial for dynamic environments like IT projects.

Bekk's flat structure reduces barriers to communication, and employees have more direct access to decision-making than client structures, where multiple layers can impede direct communication and quick problem-solving. As mentioned by both findings and Teece (1986), conditions and requirements change swiftly. Employees in flat structures are more empowered to make decisions at lower levels, speeding up implementation and enabling adaptability to IT project challenges. Leadership styles in flat organizations are adaptive and encourage direct involvement, as mentioned by Awais et al. (2023), contrasting with more directive styles in hierarchical systems.

Client's organizational structure serves their specific organizational needs, as referenced by the findings, whereas layered structures provide stability and clearly defined pathways for handling complex, large-scale operations. Conversely, top-down communication may limit the type of information shared downward. The context provided by top-level management and product owners might filter strategic details they consider sensitive and exposed to the pragmatic barriers of Carlile (2004) or irrelevant for the operating core, emphasizing process, personal, physical, or semantic barriers mentioned by Griffin et al. (2018). This selective filtering can hinder the consultants from giving constructive feedback to the strategic apex, impacting IT project outcomes. Established feedback loops can also be slow due to the multiple-level communication, preventing consultants from quickly adapting their operations or clarifying their understanding of project goals.

Moreover, scheduled and formal interactions can inhibit the development of personal relationships among team members, which is essential for fostering a collaborative environment. The empirical findings indicate that informal interactions contribute to stronger relationships and communication among team members. Teams may need the bonding facilitated by informal interactions to improve cohesion and mutual understanding. In IT projects where conditions and requirements can change rapidly, a lack of flexibility in communication can severely impact the team's ability to adapt quickly. Schwaber and

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Sutherland (2013) highlight that AM depends on regular, spontaneous communication to ensure quick adaptation and responsiveness to change.

The organizational culture shown in Bekk, and flat structures supports a collaborative and team-oriented approach, contrasting with hierarchical organizations' formalized roles and responsibilities. This difference impacts team member engagement and project execution. Schein (1997) emphasizes that organizational culture shapes communication patterns and decision-making processes. Flat structures promote open communication and collaborative problem-solving, while hierarchical structures may attract rigid communication channels and formal decision-making protocols.

In relation to the organizational structure of Mintzberg (1979), IT consultants may have defined roles in the operating core that may not include strategic decision-making or insights into broader business objectives. The empirical findings indicate that disconnection to the strategic apex may restrict IT consultants from contributing to strategic outcomes. Furthermore, without clear and direct communication, the scope of the consultant's work may drift from what is strategically necessary, leading to misalignment with the client's goals. The processes by which decisions are made and communicated from the strategic apex through the middle line in hierarchical settings can also contribute to strategic misalignment. Higher hierarchical levels may make vital choices without adequate input from the operational levels where consultants work. Misalignment in consultant-client communication can result in decisions that only partially benefit from core technical competencies and make consultants feel disconnected.

Mintzberg (1979) notes that effective decision-making requires input from various organizational levels to incorporate diverse perspectives and expertise, thus enhancing the relevance and feasibility of strategic decisions. Strategy changes or project direction pivots may require extensive approvals, limiting the consultant's ability to respond dynamically to project challenges or new insights. Lutz and Linder (2004) discuss how bureaucratic structures can slow down decision-making processes, making organizations less agile and responsive to change. This inertia can hinder a consultant's ability to implement timely and practical solutions, potentially compromising project success. Consultants may need more authority or empowerment to suggest changes that align more closely with strategic goals, especially if such proposals require deviation from established procedures or norms.

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As of this, product owners play a crucial role as the middle line in hierarchical settings to mediate communication barriers between consultants and higher management levels. According to Sverrisdottir (2014), having a clear understanding of upper management's strategic vision and the project team's operational needs uniquely positions product owners to translate technical information from consultants into strategic language that management can understand and vice versa. Hence, the direct supervision of the product owners plays a pivotal role in ensuring that suggestions and concerns from the project team escalate appropriately in the client hierarchy and communicate responses from upper management, reducing the syntactic and semantic barriers articulated by Carlile (2004).

Product owners should balance the consultant's technical perspectives with higher management's industry competence. The proactive involvement of the product owner is essential for reducing structural and competence-based communication barriers and addressing issues promptly, as Mintzberg (1979) highlighted in his discussion on the importance of decentralized decision-making in complex organizations. Product owners can make certain pragmatic decisions in hierarchical structures where decision-making can be slow, significantly reducing delays and improving adaptability. As part of the middle line, the product owner monitors risks and can be involved in troubleshooting project issues before they escalate in the hierarchy, managing problems based on their understanding of what is strategically significant to the organization. Being the central point of communication means product owners may risk becoming overwhelmed with information. However, product owners can impact communications and make top-level management more likely to understand and support innovative technical solutions.

5.3 RQ 3: How does organizational differences in competencies impact communication?

This section discusses how differences in core technical, methodological, and interpersonal competencies may impact communications with syntactic, semantic, and pragmatic barriers in the consultant-client relationship.

Technical competencies, such as those held by IT consultants in the empirical findings, enhance their ability to communicate complex technical details effectively among team members who share similar competencies. The consultants are specialists with deep knowledge that can

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improve communication within the specific context of IT projects. However, the depth of focus might restrict effective communication outside their expertise area, potentially creating silos, as pointed out by Carlile (2004). This specialization can lead to barriers in cross-functional collaboration and hinder the overall effectiveness of communication within the organization.

Hence, core technical competencies can lead to misunderstandings when communicating with non-technical stakeholders or clients with different expertise without adaption to the audience's technical understanding. A high level of technical proficiency often comes with specialized language, which can create syntactic barriers that alienate or confuse stakeholders with different backgrounds.

The findings reveal that homogeneous demographics, such as educational backgrounds among consultants, may lead to a shared communication style streamlining internal communications within the consultancy. However, this homogeneity can clash with the more heterogeneous environments in client organizations, where varied educational and professional backgrounds mean a broader range of communication styles. As highlighted by Carlile (2004), specialized terminology used by consultants in specific IT domains can be unfamiliar to client executives or non-technical managers, leading to misunderstandings or the need for additional clarification meetings. These differences in competencies underscore consultants' need to adapt their communication style to reduce syntactic barriers and ensure their communication facilitates organizational effectiveness across different contexts within client organizations.

Orlikowski (2002) highlights that effective communication requires translating technical language into more accessible terms, which is also a critical competency. This translation process is essential to ensure that technical information is understandable and actionable for all stakeholders. Generalist competencies, observed in the empirical findings, foster adaptability and enable consultants to communicate effectively across various client relationships. Sales representatives may be categorized as support staff in Mintzberg's (1979) organizational structure and mediate syntactic barriers in business and IT competencies between roles in the relationship. Conversely, this support may be less pronounced due to the low frequency of informal interactions between sales representatives and other roles in post-commenced IT projects.

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Spitzberg and Cupach (1984) highlight the importance of effective communication in facilitating functional relationships, which underpin collaborative environments and knowledge-sharing practices. Consultant's adept at communicating can translate and align diverse perspectives, reduce syntactic and semantic barriers, and ensure all team members are on the same page while compensating for technical or industry experience differences. The findings indicate that effective communication helps onboard team members who need more specific technical skills or industry knowledge quickly. The bridging of competencies aligns with Rubin and Martin's (1994), which emphasizes adaptability, conversational involvement, and conversational management as critical components that affect organizational communication dynamics.

Moreover, consultants with strong interpersonal skills can enhance the knowledge transfer process with mutual adjustment and standardization of skills. As Mintzberg (1979) highlighted, such coordination mechanisms are critical. Also, Orlikowski (2002) emphasizes knowledge transfer as an essential competency in consultancy, where the ability to educate and empower clients through effective communication can significantly reduce barriers. Standardization of skills ensures that knowledge is not only shared but also retained and applied effectively by the client, leading to more sustainable project outcomes.

Methodological competence is at the core of Bekk's organizational competence. AM emphasizes responsiveness to change, collaborative decision-making, and incremental development, making them particularly effective in dynamic industries like IT projects, as Schwaber and Sutherland (2013) mentioned. The empirical findings indicate that Bekk's methods are more adaptive than client organizations, and this adaptability enables consultancy firms to respond promptly to new information or shifting project requirements. Clients adhere to more traditional methodologies, as Turner (1999) characterized. While effective in stable environments with well-defined scopes, these methods need to be revised with the unpredictability and rapid changes typical in IT projects. Friction is evident when AM clashes with the client's more static processes, as highlighted by empirical findings where respondents noted slow adaptation could be a tendency in client organizations.

However, clients acknowledge the methodological competency in consultancies, where AM encourages open, continuous communication, contrasting with the structured, milestone-focused updates typical of traditional settings mentioned by Fitsilis (2008). With their broad

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range of project experiences, generalist consultants can navigate various industries and project scopes, tailoring their approaches to each project's specific context. This versatility is crucial in ensuring consultants remain responsive and adaptive to client needs, as stressed by Turner (1982). Empirical data supports the view that the adaptability of generalist consultants enhances their ability to manage uncertainties inherent in IT projects, emphasizing the importance of adaptability in the consultant-client relationship.

Empirical findings indicate increased project success rates and enhanced client satisfaction when implementing AM, backed by literature as iterative development phases, help eliminate costly last-minute changes and are especially beneficial in IT projects where requirements evolve (Ashmore & Wedlake, 2016). Griffiths (2007) argues that the success of AM in IT has led to their adoption in other industries to handle uncertainties and complexities. While the scope of this research is restricted to IT projects, these statements are interesting as client organizations could benefit from adopting AM in a broader range of their operations tied to their core value propositions behind the consultant-client relationship. On the other hand, Highsmith (2009) highlights potential drawbacks such as the loss of titles due to AM and flattened organizational hierarchies, potential crises from increased individual visibility, budgeting issues due to short timeframes, and high demands on client involvement.

Choosing between AM and traditional methods requires weighing these benefits against potential disadvantages, as Griffiths (2007) backed. Consultancy firm's methodological competencies, especially in AM, enable them to handle changes and adapt strategies swiftly, which is critical in IT projects, where conditions and requirements are constantly evolving. However, integrating AM into client organizations with traditional processes requires navigating barriers. These barriers require consultants' adaptability and communication skills to ensure successful project outcomes and align methodologies with client needs and expectations. Empirical findings highlight the importance of these competencies in managing the complexities and uncertainties inherent in IT projects, ensuring that consultants effectively deliver value to their clients.

Moreover, the findings reveal that digital focus influences Bekk's methodologies, which may mediate barriers in organizational communication, as Widhiastuti (2012) has mentioned. Bekk poses a substantial difference to clients in that a solid digital focus influences the methods employed and how communication and cooperation are structured and executed. A sales

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representative from Bekk highlights that much of their work is "*purely digital*," which shapes their methodology. This digital-centric approach contrasts with some client organizations where IT may need to be more central. The consultant-client relationship may increase organizational effectiveness as consultants advocate for organizational communication improvements with a digital focus, shaping the utilization of organizational competencies. Smerek and Peterson (2007) argue that digital tools like intranets facilitate more frequent and less formal interactions, which is essential for AM. As stressed by Eckerson (2010), continuous feedback loops and real-time updates may be particularly effective in client environments where traditional methodologies slow down the pace of innovation and adaptation. Digital tools like data-visualization dashboards, noted by Few (2009), offer real-time insights and customization across roles, allowing for reduced syntactic communication barriers and increased semantic flow in IT projects.

The results found that trust and transparency are essential for success, and pragmatic barriers can emerge when lacking these. Interpersonal competencies may foster trust by ensuring transparency and clarity, as clients may feel more secure in the consultants' expertise and intentions when consultants clearly articulate their competency levels, processes, rationales, expected outcomes, and ability to deliver good results based on their recommendations. In IT consulting, recommendations may involve changes that disrupt established methodologies. Trust is crucial because it underpins the client's willingness to adopt new approaches or technologies that may change established methods. Trust mitigates perceived risks associated with implementing new systems or processes. When clients trust their consultants, they are more likely to view recommended changes as beneficial advancements rather than unnecessary disruptions. This influence aligns with Giddens's (1984) view of trust as taking a chance based on known aspects, even when complete knowledge is unavailable. These perspectives on trust further align with empirical findings showing that regular demonstrations of competency by consultants build trust. Clients become more willing to adopt innovative solutions based on trust, knowing that legitimate expertise backs up the consultancy's advice. Trust simplifies complexity, as Luhmann (1979) posited, by making the client's decision-making process more manageable without needing to verify every detail. Trust-induced simplification is evident in complex IT projects where clients rely heavily on the consultant's specialized knowledge, allowing for smoother project execution.

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Hence, the perception of a consultant's competency often comes from their demonstrated knowledge and the reliability of their solutions. Empirical data indicates regular skill demonstrations and successful problem resolution reinforce the consultant's reputation, enhancing trust. Higher levels of trust can lead to a greater willingness among clients to adopt innovative but risky recommendations, knowing that solid expertise and good intentions back up the consultancy's advice. Thévenot (2016) highlights the dynamic process of trust and doubt, which is evident as clients critically evaluate and ultimately trust the consultant's recommendations, fostering a collaborative environment.

However, modern AM ensures higher levels of IT development quality while setting more ambiguous target goals and inviting a more time-consuming product development process than traditional methodologies, according to Highsmith (2009). In the consultant-client relationship, clients must be able to trust the consultants' recommendations regarding the tech stack and the methods for project execution. Still, drawing from the agency theory proposed by Jensen and Meckling (1976), consultants can be considered agents during the project's duration. They are placed in a situation where they execute tasks according to ambiguous initial requirements of IT projects and, due to significant information inequalities regarding AM and IT competencies, may have a broader understanding of project requirements than their management counterparts in the client organization. This arrangement inherently carries the risk of pragmatic barriers with agency costs, as outlined by Mahaney and Lederer (2011), where the goals of the consulting firm and the client may not align, leading to potential residual loss. For instance, a consultant might prioritize maximizing billable hours over delivering the most efficient solution, or they might recommend solutions that require ongoing consultancy support, thereby securing future business. Residual loss could also manifest if the consultant overestimates the complexity of the solutions tech stack. In the case study environment, disparities in core competencies and industry experience are observed as clients generally have more profound industry experience within an IT project. In contrast, IT consultants bring specialized knowledge in subject matter competencies and technological expertise.

To mitigate pragmatic barriers and potential conflicts, clients may implement monitoring mechanisms to align the consultant's actions more closely with the client's objectives. Such monitoring costs articulated by Mahaney and Lederer (2011) are also observed in the empirical findings and may be consequences of lack of trust. However, consultants can issue bonding costs by implementing clear and frequent interpersonal communication and establishing a

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mutual understanding of goals, which mitigate pragmatic barriers and the risk of agency problems by increasing levels of trust. The variability aligns with Thévenot's (2016) statement that trust is influenced by interactions and contexts, making it a living and changing entity. The dynamics between trust and competencies in consulting may enhance client-consultant relationships, reduce communication barriers, and increase organizational effectiveness. Trust, as discussed by Giddens (1984), Luhmann (1979), and Thévenot (2016), plays a pivotal role as building trust is a preferable bonding cost in the interplay of hierarchy and competence in IT projects.

Gochhayat et al. (2017) emphasize utilizing culture to improve organizational communication and ultimately increase organizational effectiveness. Luhmann's (1979) notion of contact systems and barriers as social systems communicate with each other can be related to Gochhayat et al. (2017) research. The empirical findings highlight that social events are core to the organizational culture at Bekk and that a solid social culture significantly impacts the integration and performance within new teams. Furthermore, the findings reveal that informal interactions contribute to stronger relationships and communication among team members.

Nneji and Asikhia (2021) emphasize that consistent sharing of beliefs and expectations leads to organizational effectiveness, with core values forming the foundation of a strong culture. This synergy underscores the importance of social culture in reducing communication barriers inherent in hierarchies, different competencies, and social systems between organizations, forming a 'contact system' as a separate communication entity within the relationship with mediated barriers. While consultants demonstrate high adaptability to various clients, they cannot fully understand their semantics beforehand. Therefore, for clients to understand and gain value from consultants efficiently, it may be vital to emphasize forming an efficient contact system as a distinct cultural entity.

Although the empirical findings suggest that homogeneity among consultants may lead to more social gatherings and subject matter events than clients, it is essential to consider these social-cultural gains as relevant for client entities. Forming a relationship, establishing mutual semantics, and developing essential knowledge-sharing of core technical concepts takes time. Even though consultants charge by the hour, it may be crucial that both parties respect the time needed to build a relationship based on trust, clarity, and psychological safety.

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In the context of hierarchical structures, which come with communication barriers and differences in competencies, which include syntactic, semantic, and pragmatic barriers, establishing trust may demand more from the consultancy as an adaptable professional service provider. However, it is also highly relevant for the client. For example, joint participation in informal events, discussing the project over lunch, and establishing frequent unscheduled connections can reduce complex barriers that are influential to communications yet possibly concealed to strategic apex members of client organizations. Consultancies may gain by advocating for more inter-organizational culture building across their client relationships, emphasizing the importance of such informal interactions in enhancing trust, communication, and organizational efficiency.

The consultant-client relationship operates within organizational differences, which can create significant barriers to effective project execution. As IT specialists, the consultants require a degree of autonomy to effectively complete tasks and contribute to the client's overarching strategy. This autonomy necessitates high trust between the consultants and various management levels involved in the client's decision-making. However, despite the pronounced technical competencies, clients might be reluctant to concern consultants about strategic alignment due to differences in industry-specific competence where the client's internal roles excel.

The empirical findings reveal that product owners and sales representatives mediate communication barriers in varying hierarchies and competencies. Product owners improve decision-making and adaptability, helping to dissolve hierarchical barriers. Meanwhile, consultancy sales representatives extend their expertise across business and IT competencies to facilitate negotiations and reduce competence barriers within the inter-organizational relationship. This dynamic creates synergies between the differences in the hierarchy and organizational structures concerning the various competencies in the consultant-client relationship, impacting communications to mediate these differences. The product owner may be bridging process barriers by acting as a mediator and embedding with the project team to facilitate daily reassurance for consultants. Nevertheless, organizational efficiency may still need to improve if clients leverage AM with high flexibility demands, which is preferable for IT projects.

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IT consultancies depend on their clients, and as clients' organizational structure serves the client's core value proposition, consultants may also design their structures to include roles specifically tailored to minimize the barriers arising from these differences. Consultancies may adopt flat internal hierarchies intended to optimize the consultant-client relationship. Furthermore, the consultancy must continually expand its organizational competencies and maintain existing disparities, as Leonard-Barton (1992) stresses its competitive advantage. By retaining an informational advantage regarding project specifications and methodological approaches, consultancies can sustain their relevance as professional service providers, as Nikolova (2007) defined, and improve their influence on the client's IT projects and methodological innovations to mutual advantage in the consultant-client relationship.

6 Conclusions and Recommendations

The concluding chapter summarizes the key findings and limitations of the study and provides suggestions for future research.

6.1 Summary

This thesis, rooted in organizational research, has conducted a qualitative study based on interviews with nine respondents divided into IT consultants, sales representatives, and client product owners. The research identifies significant differences in hierarchies and competencies and explores their impact on communication in consultant-client relationships, highlighting communication barriers in IT projects. The study has found a significant impact of *trust* and *culture* at the client company as mediating forces for reduced communication barriers and improved organizational efficiency along with consultancies' *interpersonal skills*, *digital communication tools*, *Agile Methodologies (AM)*, and *adaptability*.

We have identified differences in hierarchies as Bekk's flatter organizational structure promotes quick decision-making with informal interactions and direct access to decision-makers. The consultancies encourage a culture of open, continuous dialogue, improving modern AM's performance, which is ideal in dynamic IT project environments. Still, it is essential to recognize that the client's organizational contexts may require hierarchical layers and sometimes different methodologies. While potentially creating communication barriers, hierarchical structures also provide clear, structured pathways that can be advantageous in managing large, multifaceted projects or operations. Product owners in client's hierarchical settings play a pivotal role in bridging communication barriers between the consultants in the operational core and the top-level management at the strategic apex of their organization. Product owners enhance organizational communication by reducing process, personal, physical, and semantic barriers, and decentralized decision-making in the middle line stimulates organizational effectiveness.

Consultants show differences in competencies with more pronounced IT technical, IT-relevant methodological, and interpersonal skills compared to variations in their client counterparts. Clients have pronounced industry experience, while IT consultancies are adept in the context of IT projects and adapt to overcome syntactic, semantic, and pragmatic communication

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barriers to achieve successful outcomes within variable client environments. Differences in competencies impact communication clarity and accessibility of information in strategic and collaborative interactions. The interplay between consultancy firm's competencies in AM and traditional processes of client organizations presents challenges and opportunities. Leveraging the *adaptability* of consultants to bridge methodological divides is critical to ensure that IT projects benefit from the strengths of AM while adapting to the client's realities.

Culture built on social and communication competencies enhances project integration, improves team dynamics, and mediates communication barriers by fostering communication flow in the IT project environment. Investing in open lines of communication promotes bonding and the creation of more effective contact systems in client-consultant relationships. *Trust built* on mutual adjustment and demonstrated competence is essential to simplifying complexities. Trust simplifies complexity by making the decision-making in IT projects more manageable without monitoring costs or residual loss.

Integrating digital communication tools also impacts communication efficiency in client-consultant relationships. Digital tools introduce informality and accessibility that facilitate more frequent and less formal interaction, breaking down communication barriers where formal communication due to hierarchical structures may inhibit open dialogue and spontaneous interaction. Digital tools enhance communication effectiveness by supporting continuous feedback loops and real-time updates, which are essential for AM, aligning competencies, and ensuring strategic goals in IT projects.

While IT consultancies' flat structure and competencies offer significant advantages in IT projects, keeping a functional perspective on client organizations and advantages in their specific context is essential. However, as organizations conduct IT projects, they may enhance communication effectiveness, strategic alignment, and organizational efficiency by addressing differences in hierarchy and competencies, building trust and culture, and leveraging digital communication tools. Each consultant-client relationship is characterized by a dynamic interplay of structure and competence and must navigate the complexities of modern IT projects.

6.2 Limitations

This study has limitations in the qualitative nature, relying heavily on interviews with potential biases, as interviewees may provide responses they believe are expected or acceptable, rather than being completely candid. Despite efforts to foster open dialogue, risk remains where professional reputations are at stake.

Another area for improvement is the small sample size typical of qualitative studies with only nine respondents. This small sample affects the generalizability of the results, which may not be applicable to all consulting engagements or organizational contexts, potentially leading to subjective interpretations (Saunders et al., 2019, pp. 450- 451). While the detailed insights are valuable, they prompt further research and suggest the need for broader studies to validate the findings.

Focusing on a single consultancy firm, Bekk, and its clients also constrains the study as practices may vary significantly between firms. Therefore, while the case study provides deep insights into the specific dynamics at Bekk, it limits the ability to apply these findings universally across other consultancies and client organizations.

6.3 Implications for Practice

Both consultants and clients must recognize the presence of communication barriers stemming from organizational structures, hierarchies, and competencies. Acknowledging these barriers is the first step toward mitigating their impact. Establishing and maintaining trust is crucial for effective communication. Consultants can build trust through transparent communication, consistent performance, and demonstrating competence, simplifying decision-making and facilitating smoother project execution.

Leveraging digital communication tools can significantly enhance communication efficiency. These tools enable frequent, informal interactions, support continuous feedback loops, and provide real-time updates, which is essential for AM. Encouraging informal interactions like social events, shared meals, and unscheduled check-ins builds culture, strengthens relationships, and improves communication among team members.

Conclusions and Recommendations

Consultants should tailor their methodologies to align with the client's organizational structure and needs. AM emphasizes flexibility and responsiveness and is particularly effective in dynamic environments. Product owners are vital in reducing communication barriers between consultants and client management. They should proactively translate technical information into strategic language and vice versa, ensuring all stakeholders are aligned with project goals and methodologies. Developing strong interpersonal and communication skills is essential for consultants to navigate diverse client environments. Effective communication involves not only technical expertise but also the ability to convey complex information in an accessible manner. Building a robust organizational culture that emphasizes open communication can enhance project outcomes. Both consultants and clients may invest in creating a shared cultural framework that supports mutual understanding and cooperation.

Commitment to continuous learning and adaptation is essential for both consultants and client organizations. Staying updated with the latest methodologies, technologies, and communication strategies helps maintain agility and responsiveness to changing project requirements. Regular feedback sessions and performance reviews can identify communication barriers, ensuring both parties can make necessary adjustments to enhance collaboration.

6.4 Further Research Perspectives

Future research should expand the sample size and diversity to include a broader range of consulting firms and client companies, helping to generalize the findings across different organizational contexts and industries. Including additional organizational levels, such as top-level management and other key stakeholders in the support and technostructure, can provide a comprehensive view of strategic implications and decision-making processes. Longitudinal studies may offer insights into how inter-organizational relationships and communication dynamics evolve over time.

Investigating the role of technology in facilitating communication is another promising area. Further research may examine more deeply how digital tools mediate interactions between different organizational roles and impact strategy implementation. Understanding the benefits and limitations of various digital platforms might guide the development of more effective communication strategies.

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Appendix A

A Interview Guide - Consultants

Interview guide

Estimated time: 45min – 1hour

The interview guide serves as a template for the interview and will ensure that all topics related to the issue are discussed.

Intro (2 min)

- Interviewers explain what the interview will be used for
- NTNU Master thesis in Management of Technology
- Anonymous answer in thesis
 - Obs! Consent form
- Inform about the task and problem.
- **Use examples**

Part 1: Introduction (3-4 min)

Background and Role

1. How many years of experience do you have in the consulting industry?
 - 1.1 What types of industries?
 - 1.2 And your core competencies?
2. Can you describe your role within a given project?
 - 2.1 What are your responsibilities?

Project Experience

3. Describe the kinds of projects you typically engage with?
 - 3.1 What are the main goals of the projects? (developing a product, digitally transforming a company, or other)

Part 2: Project understanding and Strategic Operationalization (7-10 min)

Project Initiation

- 1 **How** and by **who** are you provided the project context at the beginning?
- 2 Based on your view, how does the client's **general strategy** impact the project context?
 - 2.1 Do you consciously align your daily tasks with the general strategic goals? Ex.

Communication and Alignment

- 3 Do you interact with the client organization's leadership?
 - 3.1 How about the product owner?
 - 3.2 How about the sales responsible within your own company?

Part 3: Team Dynamics and Inter-organizational Cooperation (7-10 min)

Team Composition and Dynamics

1. Could you discuss how team dynamics and efficiency are influenced by working with a team you're **familiar** with versus a **new** team?

Resource

2. How are the client **industry experience** different from your company?
3. How are the client **core competencies** different from your company?
4. How are capabilities and competencies **identified** within the project?

Organizational view

5. Can you consider aspects below and how these are different in a client's company in comparison to your own?
 - 5.1 Hierarchy
 - 5.2 Social culture
 - 5.3 Work methodology (ways of working)
 - 5.4 Cooperation skills

Building Trust

6. What challenges do you face in building trust with the client company?
 - 6.1 And what strategies do you employ to overcome them?

Part 4: Inter-organizational Collaboration Dynamics (5-7 min)

1. What is the main **enabler** for achieving the general strategy, when a client is hiring a consultant?
 - 1.1 What causes most **friction** in the process of hiring consultants?
2. How is the relationship formally structured between your firm and the client's?
3. What **technological tools** are facilitating effective processes?

Part 5: Reflection (5min)

Operationalization Successes and Failures

1. Can you recall any projects where the client's strategy was well operationalized?
 - 1.1 What **factors** contributed to this success?
2. Can you recall any projects where strategic operationalization was challenging?
 - 1.1 What were the **barriers**, and how were they addressed?

Conclusion

3. Do you have any final thoughts or anything that you would like to add around any of the topics mentioned?
4. Is there anything that is unclear?

Appendix B

B Interview Guide – Sales Representative

Interview guide

Estimated time: 45min – 1hour

The interview guide serves as a template for the interview and will ensure that all topics related to the issue are discussed.

Intro (2 min)

- Interviewers explain what the interview will be used for
- NTNU Master thesis in Management of Technology
- Anonymous answer in thesis
 - Obs! Consent form
- Inform about the task and problem.
- **Use examples**

Part 1: Introduction (3-4 min)

Background and Role

1. How many years of experience do you have in the consulting industry?
 - 1.1 What types of industries?
 - 1.2 And your core competencies?
2. Can you describe your role within a given project?
 - 2.1 What are your responsibilities?

Project Experience

3. Describe the kinds of projects you typically engage with?
 - 3.1 What are the main goals of the projects? (developing a product, digitally transforming a company, or other)

Part 2: Project understanding and Strategic Operationalization (7-10 min)

Project Initiation

1. **How** and by **who** are you provided the project context at the beginning?
2. Based on your view, how does the client's **general strategy** impact the project context?
 - 2.1 How do you consciously align your sales effort with the general strategic goals?
Ex.

Communication and Alignment

3. How do you interact with the client organization's leadership?
4. How about the product owner or person in charge of the project?

5. How about the consultants / developers within your own company?

Part 3: Team Dynamics and Inter-organizational Cooperation (7-10 min)

Team Composition and Dynamics

1. Could you discuss how team dynamics and efficiency are influenced when consultants are working with a **familiar** team versus a **new** team?

Resources

2. How are the client **industry experience** different from you company?
3. How are the client **core competencies** different from you company?
4. How are capabilities and competencies **identified** within the project?

Organizational view

5. Can you consider aspects below and how these are different in a client's company in comparison to your own?
 - 5.1 Hierarchy
 - 5.2 Social culture
 - 5.3 Work methodology (ways of working)
 - 5.4 Cooperation skills

Building Trust

6. What challenges do you face in building trust with the client company?
 - 6.1 And what strategies do you employ to overcome them?

Part 4: Inter-organizational Collaboration Dynamics (5-7 min)

4. What is the main **enabler** for achieving the general strategy, when a client is hiring a consultant?
 - 4.1 What causes most **friction** in the process of hiring consultants?
5. How is the relationship formally structured between your firm and the client's?
6. What **technological tools** are facilitating effective processes?

Part 5: Reflection (5min)

Operationalization Successes and Failures

1. Can you recall any projects where the client's strategy was well operationalized?
 - 1.1 What **factors** contributed to this success?
2. Can you recall any projects where strategic operationalization was challenging?
 - 2.1 What were the **barriers**, and how were they addressed?

Conclusion

3. Do you have any final thoughts or anything that you would like to add around any of the topics mentioned?
4. Is there anything that is unclear?

Appendix C

C Interview Guide - Client

Interview guide

Estimated time: 45min – 1hour

The interview guide serves as a template for the interview and will ensure that all topics related to the issue are discussed.

Intro (2 min)

- Interviewers explain what the interview will be used for
- NTNU Master thesis in Management of Technology
- Anonymous answer in thesis
 - Obs! Consent form
- Inform about the task and problem.
- **Use examples**

Part 1: Introduction (3-4 min)

Background and Role

1. How many years of experience do you have in your company?
 - 1.1 What type of industry?
 - 1.2 And your core competencies?
2. Can you describe your role within the company?
 - 2.1 What are your responsibilities?

Project Experience

3. Describe the kinds of projects your company typically engage with?
 - 3.1 What are the main goals of the projects? (developing a product, digitally transforming a company, or other)

Part 2: Project understanding and Strategic Operationalization (7-10 min)

Project Initiation

1. **How** and by **who** are you provided the project context at the beginning?
2. Based on your view, how does your company **general strategy** impact the project context?
3. How do you consciously align your efforts with the general strategic goals? Ex.

Communication and Alignment

4. How do you interact with your company's leadership?
5. How about the sales representative when hiring consultants?
6. How about the consultants / developers?

Part 3: Team Dynamics and Inter-organizational Cooperation (7-10 min)

Team Composition and Dynamics

1. Could you discuss how team dynamics and efficiency are influenced when consultants are working with a **familiar** team versus a **new** team?

Resources

2. How are the consultant company **industry experience** different from your company?
3. How are the consultant company **core competencies** different from your company?
4. How are capabilities and competencies **identified** within the project?

Organizational view

5. Can you consider aspects below and how these are different in a consultant's company in comparison to your own?
 - 5.1 Hierarchy
 - 5.2 Social culture
 - 5.3 Work methodology (ways of working)
 - 5.4 Cooperation skills

Building Trust

6. How do you build trust with the consultants?

Part 4: Inter-organizational Collaboration Dynamics (5-7 min)

1. What is the main **enabler** for achieving the general strategy, when your company is hiring a consultant?
 - 1.1 What causes most **friction** in the process of hiring consultants?
2. How is the relationship formally structured between your firm and the consultant company?
3. What **technological tools** are facilitating effective processes?

Part 5: Reflection (5min)

Operationalization Successes and Failures

1. Can you recall any projects where the strategy was well operationalized where consultants were involved?
 - 1.1 What **factors** contributed to this success?
2. Can you recall any projects where strategic operationalization was challenging where consultants were involved?
 - 2.1 What were the **barriers**, and how were they addressed?

Conclusion

3. Do you have any final thoughts or anything that you would like to add around any of the topics mentioned?
4. Is there anything that is unclear?



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