The Engineering of Novelty in a Large Management Consulting Firm

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Abstract: Organizations in general have a strong tendency toward exploiting their current knowledge. Yet, to survive, they need not only to exploit the old and tried, but also to generate and explore novel ideas. Hence, organizations need to counterbalance their tendency to exploit. The problem they face is one of “engineering novelty” (March 2010), which can be described as the attempt to systematically introduce novelty into a system that systematically tries to eliminate it. I suggest that the large management consulting firm has found a way to do so consistently and effectively, and discuss three mechanisms that contribute to the firm’s ability to successfully balance exploration and exploitation. The research reported here is based on a four-month ethnography of a leading management consulting firm.

Bio: Isaac Waisberg (PhD) is an Assistant Professor of Social Science at Tel Aviv University. He obtained an MSc in Social Psychology from the London School of Economics and a PhD in Management Science & Engineering from Stanford University. Broadly, Isaac is interested in organizational learning and the generation of novelty in organizations. Among other things, he studies the conditions under which management consultants will contribute to organizational learning. He is interested, too, in executive decision making and the role management consultants play in facilitating the process, for instance by presenting the risks associated with a project in such a way that risks seem less overwhelming.