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THE ROLE OF THE EXTERNAL CONSULTANT IN FACILITATING ENTERPRISE DEVELOPMENT

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degree of PhD in Human Resource Management at Massey
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Today's organisations are faced with increasingly difficult choices about appropriate development strategies and structures. At the same time they are supported by a growing literature on management and organisational performance. Judging by the recent average growth in the revenues of the major international consulting firms (which was 34% in the period between 1998 and 1999 according to Kennedy Information, 1999), it appears that it is increasingly likely for organisations to call in external consultants to assist the organisation's managers to select appropriate development strategies from the range of available choices.

It may be argued that this situation means that consultants are caught in the grip of two opposing forces: There is the possibility of providing clients with a better outcome than ever before, based on the advances of management thinking that have occurred over the course of this century. At the same time, clients' beliefs that continual advancements in organisational success are possible are putting pressure on the consulting industry to achieve "quick fixes". Whilst striving to perform effectively, consultants are being driven towards providing formulaic responses to complex organisational problems. One of the possible consequences is that they may not be making full use of the available knowledge about organisations, management and the practice of consulting. A further difficulty is that although the literature on the practice of consulting is rich, the theoretical knowledge base for consultants is still regarded as being incomplete.

This situation provided the context for the study, in which the researcher sought to describe the roles that can be taken by a consultant during an assignment, and to explore the relationship between roles and subsequent organisational outcomes. Against this background the researcher identified an initial point of interest: the organisation that is engaged upon a search for organisational improvement. The term used to describe this was enterprise development (ED), which was defined as a situation in which an organisation's managers employ a consultant to undertake a set of activities with the objective of achieving a positive organisational outcome of some kind. The implicit research question was whether external consultants have a role to play in ED, and if so, whether there are ways to maximise the positive outcomes of their involvement.

The researcher selected action research as the most appropriate methodology for working on client assignments, which also provided an opportunity for those participating in the study to gain from the process. As a starting point the researcher and the consultant "research partners" developed an initial proposition; "that it is possible to identify the factors that influence consultancy outcomes by engaging in participatory research with individual consultants". This proposition was developed over the course of three research cycles, and a diagrammatic presentation of these cycles in relationship to the research question can be found in Chapter 1 (page 31).

In the first research cycle, the researcher worked alongside each of the three research partners on a single client assignment. They developed the “intervention profile” (IP) as a way of assessing the assignment’s potential for an effective outcome. At the end of the research cycle the researcher and the research partners concluded “that assessing a particular client assignment with the help of the IP will assist a consultant to make choices about appropriate intervention strategies”.

In the second research cycle the researcher and the research partners developed the IP further, formulating a list of intervention “conditions” that may exist for each of the intervention profiles, and applying this extended framework to a client assignment. They concluded that applying the framework effectively is limited by the consultant’s capability. At this point they developed the second proposition; “that a tool for assessing consultants’ strengths and weaknesses will assist them to plan a programme of professional development that will improve their practice of organisational consulting”.

In the third research cycle the researcher and the research partners focused on the consultant’s capability. Working through the “consulting approaches assessment” (CAA), a tool designed specifically for this study, the research partners identified their own approach to the practice of consulting. They concluded with a final proposition: “given that the way consultants approach the consulting process is one of the critical success factors, a consulting development programme that assists consultants to develop an intervention profile, assess intervention conditions and develop intervention strategies in the context of their own consulting approach will improve their practice of organisational consulting”.

The evidence of the six cases undertaken in this study suggests that there is more than one role that consultants can take with a client organisation that can contribute to ED. It is also clear that there are ways of maximising the positive outcomes of consultancy interventions. Here the study makes two specific contributions to the knowledge on organisational consulting that currently exists.

Firstly, the IP and the CAA are additions to the literature, which allow practising consultants to apply the extensive literature on management and organisation to client assignments. Secondly, the researcher presents a model for organisational consulting which explicitly identifies the three different levels that consultants need to consider when undertaking client interventions (conceptualisation, strategy and practice), and categorises the existing body of knowledge on consultancy in terms of these levels.

These contributions have fundamental implications for the training and development of organisational consultants, and their application has the potential to improve their value to the organisations that employ them.

ACKNOWLEDGEMENTS.....i

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