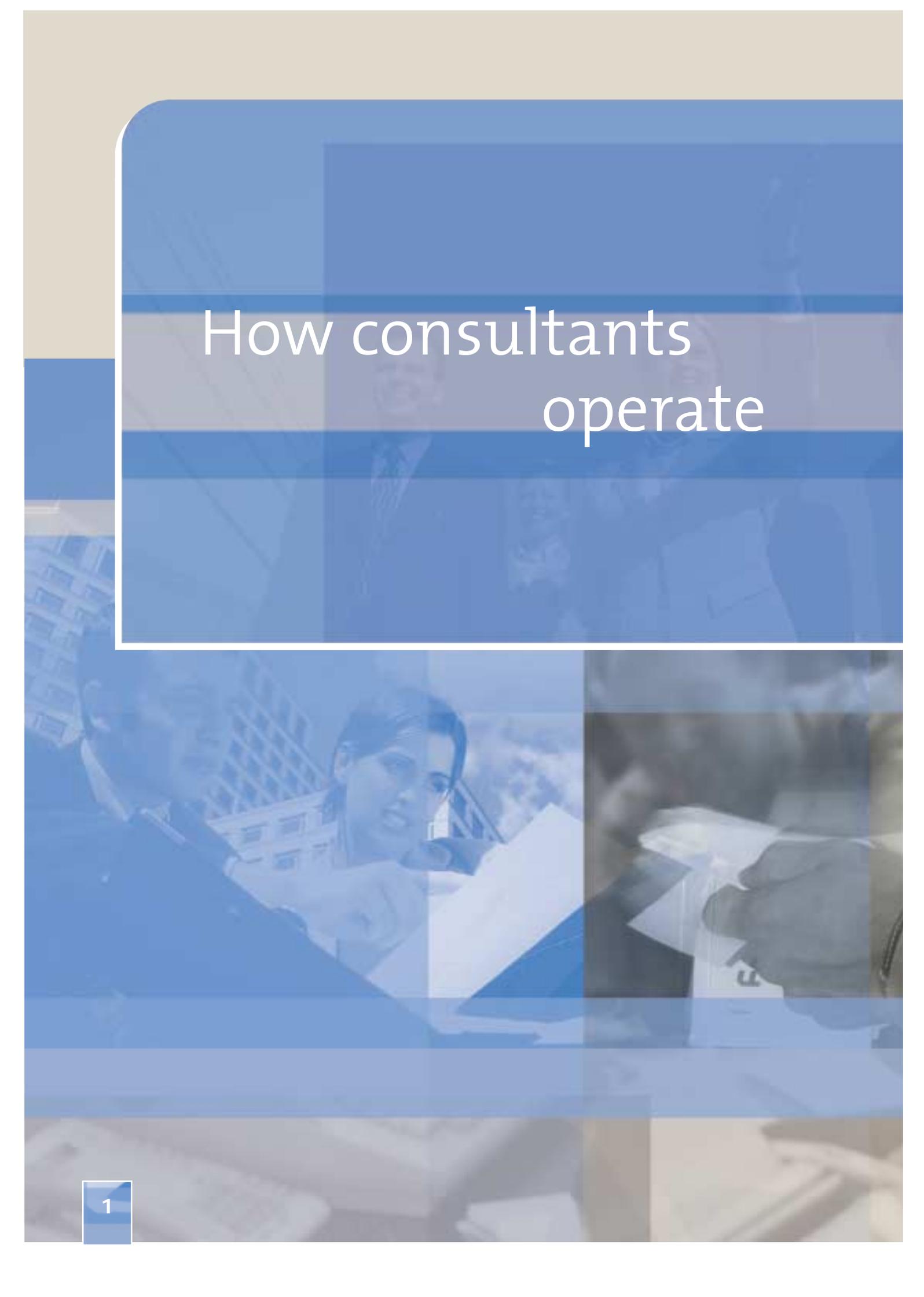# How consultants operate

and how to help them do their job

By Philip Ramsey and Paresha Sinha

TRADITIONAL consulting practices, based on commercial realities and client expectations, are often at odds with philosophies embodied by the term "learning organisation". This presents a challenge for business consultants working in the organisational learning field.

How do New Zealand consultants handle this? And what does this mean for managers? Recent research based on interviews with New Zealand consultants working in the learning organisation area comes up with some answers.

Interest in learning organisations reflects managers' efforts to deal with the increasing rate and complexity of change. To cope with this turbulence, many organisations see the need for continuous experimentation and learning, and for ongoing transformation of the organisation itself.

Many managers appreciate the need for learning, but struggle to bring it about. Leading writers on learning organisations suggest that the fundamental reason for this is managers' assumptions about learning and work.

Consider, for example, common assumptions about technical rationality and competition.

Many managers assume that work is best done through a process of "technical rationality". This involves finding a person with technical competence in the area of concern, having this person determine the best course of action, and then taking action. From this perspective, learning is a process of individuals' gaining technical competence.

Managers also assume that the best way to determine who has the technical competence they need is through a process of competition: by generating a debate between technical experts, we can determine who has the best understanding and who is best able to help us.

Learning experts such as Senge and Isaacs suggest that these assumptions may hold when dealing with relatively simple issues, but not when confronted with complex change. They say that the challenges facing most managers today are generally too complex for one person to determine the right course of action on the basis of previous learning and experience. Challenges are also likely to be different from previous ones, thus requiring new solutions.

What is needed is a group of people with diverse perspectives who work together to learn how to face up to the challenge. In complex situations, those charged with implementing decisions need "know-why" as well as "know-how" to adjust to unexpected circumstances. This means they need to be part of the group involved in determining what is to be done.

As groups work together over time, the people involved can build their understanding and sensitivity to one another, so that the learning process can accelerate. They grow in their capacity to handle complex challenges that require new ways of acting.

This view of work emphasises building social bonds – through shared purpose and dialogue skills – as essential elements to learning. Learning experts suggest that over time the culture of debate fostered by assumptions of technical rationality and competition destroys the social bonds needed for deep learning.

A further assumption held by managers is the need to be proactive in dealing with problems as they arise. They may feel it is important to be "on top of things", by identifying problems early and responding before they have an opportunity to grow.

This assumption is also questioned by those interested in creating learning organisations. They suggest that we are often too quick to label something a "problem". By doing so, we can leap into actions that make things worse for the organisation in the long run.

A frequent consequence of being proactive is that we deal with symptoms rather than taking time to understand the underlying forces that shape what is happening within and outside our organisations. When we treat symptoms only, our problems keep returning as soon as the "quick fix" has worn off.

Learning is about building our understanding of these underlying and often hidden forces, so that we can take action at a fundamental rather than a symptomatic level.

We have considered two perspectives on learning, each based on its own set of assumptions:

- "Problem solving", based on assumptions of technical rationality and competition.
- "Capacity building", encompassing the assumptions advocated by learning organisation experts.

From these different perspectives, we get very different views of what constitutes a learning organisation. From the problem-solving perspective, it is simply a place where a lot of learning is taking place. From the capacity-building perspective, a learning organisation is one that has adopted a particular culture that makes learning possible.

Where technical rationality places a high value on expertise, a learning organisation represents a "new workplace", characterised by a culture that values "learning" more than "knowing the right answer". Consequently, while people in a learning organisation might use competitive argument from time to time, they are likely to be more open to dialogue and experimentation carried out within groups characterised by strong relationships.

We have discussed some of the assumptions held by managers and seen that these can be in conflict with those held by experts in learning. How are these differences in assumptions likely to affect consultants working in the area?

Consulting and the learning organisation

In his classic 1960 book *The Human Side of Enterprise*, Douglas McGregor described how the assumptions of managers affect the relationships they form with those they manage. We can reasonably expect that managers' assumptions would similarly affect the relationships they form with consultants.

If the problem-solving perspective prevails, managers are likely to respond proactively to organisational problems. They will call on technically competent consultants as experts who can determine the best course of action. Managers are also likely to have consultants compete against one another to establish their expertise.
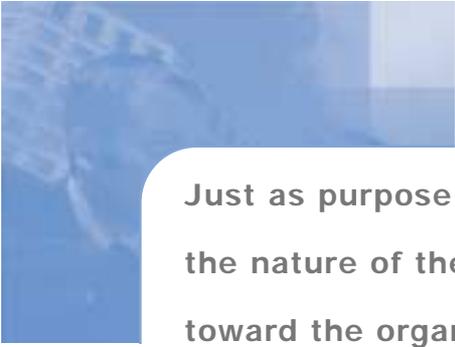
Differences in assumptions have significant implications for consultants. Consider how these differences shape the purpose, commitment, role and processes used by consultants. **Table 1** summarises some of the differences arising from the problem-solving and capacity-building perspectives.

Schein's work on consultation has outlined alternative approaches that involve different relationships between consultant and client as they address organisational problems. In each of the approaches described, the implicit purpose of the consultation is to solve problems. Similarly, ▶

TABLE 1

	Problem solving	Capacity building
	Alternative models of consulting	
Purpose	Helping organisations to solve problems.	Enabling organisations to pursue visions.
Process	A linear process involving single-loop learning. Problems are defined, analysed and resolved.	A cyclical process involving double-loop learning. Each piece of work provides further insight into the nature of the organisation and how best to pursue the vision.
Commitment	Short-term fulfilment of contractual obligations.	Long-term fulfilment of social obligations, as part of a community of practice.
Role	Provision of expertise that enables organisational problems to be solved.	Building the organisation's capacity to achieve its vision.

Kubr indicates that the initial challenge for consultants is to convince clients of their expertise in the area of the clients' problems. Problem solving as a purpose is consistent with the assumption of proactivity discussed earlier.

Senge, an influential writer on learning organisations, has discussed the limitations of problem solving as an orientation. He suggests that the driving force behind learning organisations needs to be a "creative orientation", involving the pursuit of a compelling vision for the organisation. Such a vision transforms the learning experience for those involved, bringing into play intrinsic rather than transactional rewards.

So, where consultants with problem-solving assumptions might define their purpose as helping organisations solve problems, those with capacity-building assumptions are more likely to frame their work as enabling organisations to pursue visions.

The problem-solving orientation will also affect the process adopted by consultants. A focus on problems lends itself to a linear process that starts with problem identification. It then moves through diagnosis, solution finding and implementation to the point where the project or consulting assignment can be terminated. While the stages of a consulting project have been described in a variety of ways by different writers, each approach views consulting as a linear process with clear starting and finishing points.

When consultants view the purpose of their work as enabling organisations to pursue visions, the process changes from linear to cyclical. Each project or assignment the consultant conducts will generate new information on the true nature of the organisation and what is required for it to move toward its vision.

Argyris and Schon describe the different orientations as "single-loop" and "double-loop" learning. Single-loop learning involves

taking some action to solve a problem, assessing the consequences and feeding what is learned back into the process in the form of new actions. Single-loop learning continues until the problem is solved. In double-loop learning, consequences are assessed not only in terms of their effect on the problem, but also what they tell you about the variables shaping thinking within the organisation more broadly.

Single-loop learning might involve asking, "Did the action solve the problem? Did we meet the standards we had set?" Double-loop learning involves the questions: "What made us think this was a problem? Why did we set the standards in such a way?"

A consultant operating from problem solving is more likely to adopt a process of single-loop learning that is linear, leading to the solving of a problem. In contrast, a capacity-building consultant is likely to adopt a double-loop learning process that is cyclical, with each project providing new insights into how the organisation can go about the pursuit of its vision.

Just as purpose affects process, process affects the nature of the commitment the consultant has toward the organisation. With a problem-solving orientation and a process that has definite starting and finishing points, the approach to commitment is based around a contractual relationship. The competitive nature of problem solving also increases the likelihood that a consultant operating in this manner will view the relationship as temporary and focused on fulfilment of a contract.

Both the purpose and processes associated with capacity building are long-term. So, while consultants operating under this model may use contracts to define work they do, their commitment to the organisation is likely to be altered.

Wenger uses the term "community of practice" for the kind of relationship that can

form between a consultant and members of a client organisation. While not formally part of the same organisation, they learn together by their regular interaction, creating social bonds and a shared repertoire of resources (common language, sensibilities, etc) that enable them to work together effectively.

Communities of practice do not go out of existence when a contract is terminated or a project completed. Rather, the nature of the community shifts from active engagement to "dispersed", where members keep in touch though they no longer engage with the same intensity.

In this sense, consultants operating under capacity building feel committed to organisations beyond the life of particular contracts, because these represent a community of practice to which they belong. This commitment may be expressed by staying in touch and providing advice outside of contracts.

Finally, the role the consultant plays differs according to the model in use. Under problem-solving assumptions, a consultant could be expected to act as an expert. This may be as a technical expert, helping managers determine what they need to do. Alternatively, managers may know what to do, but need the consultant's expertise to develop the skills required to implement their plans. Or clients may require a consultant to provide expertise in facilitating the process by which members of the organisation solve their own problems.

Senge and Kim describe consultants not as experts, but as "capacity builders". They suggest the role is to create a link between research and practice, helping others to build capabilities and skills through methods and tools that transform concepts into practical know-how and results.

This provides a different role for consultants operating under capacity building. While they may have expertise in a variety of areas, the contribution they make is framed as building capacity rather than providing expertise. This role harmonises with the culture of "learning" rather than "knowing" previously discussed.

Consulting practice

The two models of consulting we have discussed are formed in very different ways. Capacity building is based around a philosophical approach to organisations and work. Problem solving is more practical, in the sense that it is based on what clients are most likely to expect.

Which – the philosophical or the practical – is likely to have the greater impact on consultants? Given that consultants may read philosophically derived work on learning organisations but practice in the world of client expectations, we might expect them to feel pulled between the two models. This could lead to the defensive behaviour described by Argyris, with consultants espousing capacity building while putting problem solving into use.

To begin exploring the impact of this tension on client-consultant relationships, Massey University researchers interviewed seven New Zealand consultants. Each consultant worked with organisations in one of the five disciplines Senge associates with the creation of learning organisations. The disciplines represented were: team learning, shared vision, systems thinking ▶

Clients may require a consultant to provide expertise in facilitating the process by which members of the organisation solve their own problems

and personal mastery. All worked independently or in firms with 10 or fewer associates. Four were founders and managers of their own consulting companies. Only one consultant from any given company was included in the study.

The consultants interviewed were either known to the researchers or recommended by one of the other consultants in the sample. The small sample was used to generate a rich description of consulting practice, using semi-structured interviews. Such a description would allow us to explore the particular issues relevant to consultants as they deal with the tension between philosophy and practice.

The consultants were asked to think of a particular important client and to discuss how they had carried out critical phases of the consulting process. They described how they had gained access to the organisation; established a contract; collected data; diagnosed needs; implemented solutions; reviewed work; and terminated the consultancy.

At the suggestion of the consultant who took part in the pilot interview, participating consultants were also asked how the relationship with the chosen client differed from relationships with other clients. This suggestion ultimately generated information of particular relevance to managers working with consultants.

Transcripts of the interviews were analysed to establish common themes (**Table 2**). It quickly became apparent that consultants' descriptions of actions they take with clients nominated as "important" are consistent with capacity building. The consultants were making

deliberate efforts to conduct themselves in ways that were consistent with a learning organisation philosophy.

Two themes related to the benefits to clients from consulting projects. Six of the seven participants described benefits in terms of attitudinal changes consistent with learning organisation principles. Rather than discussing solutions to particular problems, consultants mentioned benefits such as "greater self-awareness", "commitment to people issues", "becoming better communicators" and "orienting them to a learning orientation rather than a managing or controlling orientation". One consultant described the benefits to clients in this way: *"I am helping them to work as a team rather than as individuals. So they are benefiting ... partly from my intellectual input and partly from my facilitation skills, and also from my ability to challenge them. They end up better organised, more focused, thinking slightly differently – sometimes a lot differently – which in the beginning they couldn't. Generally speaking, they believe they have done it themselves, which is about right because they have developed themselves. The thinking is theirs. The decision is theirs."*

Similarly, three participants mentioned "knowledge transfer to the client" as an important outcome. This indicated that they viewed their work in terms of building capacity. This transfer included more than simply having clients learn technical "know-how". One participant explained that, as he and the client worked together to solve organisational problems, he sought to pass on his "cast of mind" or his way of thinking about the work.

Another spoke of the challenge of ensuring interventions were designed to generate knowledge transfer, saying: *"One of the requirements of the design is that [clients] are able to perform some of the skills we perform for them and then [the skills] become embedded. So we demonstrate over and over again, so that it is embedded. Otherwise there is no change in behaviour. They have to*

TABLE 2

Themes emerging from interviews

Consulting practice based on capacity building
- Use of learning organisation technique: "Reflection"
- Use of learning organisation technique: "Conversations".
- Attitudinal change and "Knowledge Transfer" as benefits to clients.

Factors limiting use of capacity building
- Clients fear of an "overly theoretical" orientation.
- Trust as the basis for productive relationships.

unlearn 30 years of belief and practice and I know how difficult that is. But as the project draws down, we will appear less frequently."

Along with framing benefits to clients in learning organisation terms, participants spoke of learning organisation principles that they sought to adopt directly into their practice.

Three participants described how they incorporated reflection into their process of review. While this sometimes involved shared reflection with the client, one participant mentioned that personal reflection was often a more intense form of review than client feedback. The consultant commented: *"My experience is we tend to be harder on ourselves than clients [are]. Primarily because they may think it is great, but they do not ... have a sense of what else could be done. Sometimes, you fall short of your own expectations. [That] they are happy does not matter – of course, it makes me feel better. But if [the work] doesn't go as I thought, I would understand there is still a gap. What do I need to do differently to make it work to my expectations?"*

Four participants mentioned use of conversation as an essential part of the consulting process. Brown and Isaacs describe conversation with clients as a core business process contributing to learning. And consultants in the study described using conversation to establish issues to be dealt with, while at the same time building commitment to the change processes being considered. One participant said conversation acted as an alternative to having top managers attempt to sell change programmes to the rest of the organisation.

The themes discussed so far indicate that the consultants were endeavouring to take a capacity-building approach to the work they did with their "most important" clients, with whom they had long-standing relationships.

But two other themes emerged from the interviews that showed the capacity-building approach was not possible in all their work.

Six of the seven participants mentioned clients' fear or apprehension about taking an overly theoretical orientation. Consultants were aware that work in the area of learning organisations may involve concepts that do not appear to have immediate practical value to the client. One participant described it as clients struggling to "find the connection between what we are talking about and the bottom line".

Participants mentioned that they deliberately developed strategies that both delivered practical outcomes and challenged clients to "widen their mindsets". Often this involved starting the relationship with intermittent contacts and small projects, which built into long-term relationships over time. One participant described the consultant's role in terms of making the theoretical accessible to clients, as follows: *"Sometimes we bring the theoretical, the research ... and try to bridge what the [client's] needs are with the good ideas ... showing how [they] can bring them together. People hire us because we ... help to widen their mindsets. We have to be good enough, not just with ideas, but also in bringing them alive, to ... work for the client."*

A further theme, mentioned by six participants, was the importance of trust as the ▶
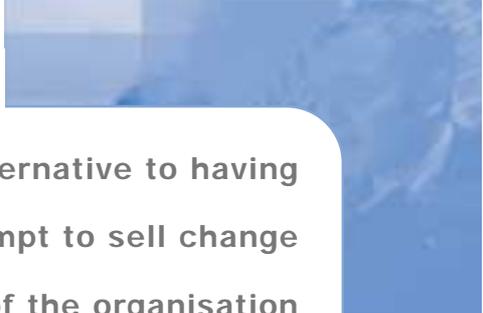
Conversation acted as an alternative to having top managers attempt to sell change programmes to the rest of the organisation

basis for relationships with clients. Several participants mentioned that work in the area of learning organisations involves both minds and hearts, along with communication at a deeper than usual level. They said trust was both a prerequisite for such work and an outcome of the work. As trust grew in the relationship, consultants reported feeling bolder in confronting clients about issues that needed to be addressed. One consultant said: *"With a stronger relationship with the client ... I became bolder ... not letting them 'wimp out' and I would say 'Give it a go'."*

Another expressed a direct connection between client-consultant trust and ability to work in the area of learning organisations, saying: *"We can't retreat in the end and say, 'You paid us to do this thing'. So we tend to enter into quite deep relationships with clients because of this. The communication modes and the levels of trust are high and we are working with minds and hearts. When we are doing learning, there is no other way."*

Making best use of consultants

This research was exploratory, involving interviews with a small sample of consultants. Nevertheless, the results were enlightening to those involved in the study. We had suspected that consultants would have an "either/or" approach to resolving the tension inherent in their position. Either they would operate according to traditional models of consulting, with an emphasis on technical rationality, or they would have adapted their practice to reflect learning organisation principles.

We were surprised and encouraged to find that the consultants interviewed had more sophisticated ways of dealing with the paradox. They were able to hold capacity-building assumptions as an ideal, yet work with clients who did not allow them to put this philosophy into practice. At the same time, they consciously built relationships with clients that would make capacity-building consulting possible in the future.

While the focus of the research was on consultants, this finding has important implications for managers seeking to use their services. The results of the study provide a clear challenge to managers in their relationships with consultants, particularly when working within a philosophically based area such as learning organisations.

Consultants reported being able to do their best work within trusting relationships with clients. Such relationships enabled them:

- To more effectively understand the real needs of clients, through deeper insights into the organisation.
- To be bolder in confronting clients with fundamental changes that needed to be made.
- To review and improve their own practice openly and collaboratively with clients.

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The consultants generally talked about their own responsibility in building trusting relationships. They described strategies such as using small, intermittent projects with clear, practical outcomes and deliberately avoiding language and work that appeared too theoretical or conceptual.

As with any relationship, however, responsibility for its development and maintenance lies with both parties. Managers share the responsibility for creating the kinds of relationship that enable consultants to be effective.

Where managers do not accept this responsibility, a Catch-22 situation seems likely to occur. Managers want help increasing the level of learning within their organisations. In selecting consultants, managers – operating with a problem-solving perspective – require consultants to compete with one another for the work. The consultants are being asked to generate learning by acting like experts in an environment in which they feel little freedom to experiment, act openly or confront real issues. The managers may want consultants to build the organisation's capacity for learning, but they reward the consultants who provide short-term, expert solutions to organisational problems.

All the consultants in the study reported working with managers with whom they were able to form long-term relationships. The consultants also indicated that many managers operated on the basis of assumptions that made it difficult to establish long-term relationships.

The challenge this study poses for managers is to seek long-term relationships with consultants that will allow the consultants to act in a capacity-building role. This ultimately impacts on all aspects of the client-consultant relationship, because it is based on a set of assumptions that may feel unfamiliar and unnatural to many managers. Those managers who are able to make this shift in perspective will have an advantage in their efforts to build true learning organisations.

FURTHER READING

For more information on principles of learning organisations, see Senge (1990). Tannen (1998) discusses how the culture of Western business tends to lead to argument rather than learning.

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