IMPLEMENTING ORGANIZATIONAL CHANGE THROUGH AN INTERNAL CONSULTING TEAM

a report on developing consulting skills for organization problem solving in a large organization

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Organization development, as an approach to improving and maintaining organizational "health," is rapidly becoming an important technology available to the manager The growing array of methods and techniques is in part due to the creative application of behavioral science principles to the process of organizational change In this regard, most organizations that undertake an organizational development program make use of an "objective" third party -- an organizational consultant usually external to the system

The consultant may function in a number of different modes,[1] depending on the needs and requirements of the client system It takes a truly versatile and flexible individual to bring to bear the various resources required for an effective organizational development effort There are occasions when situational factors make it necessary to employ a different organizational consulting model For example, when time and priorities indicate that the organization requires a good deal of consulting resources to be applied in a concerted way, in a relatively short time, the use of an "external" consultant may not be the most feasible model or the most effective one

In most organizations the consulting resources within its own ranks are not developed or utilized or ever recognized The potential for the effective utilization of "internal" consulting help is far more than most organizations realize The decision to expend energy, time and money in developing individuals with the understanding and skill to provide organizational consulting help internally is often a difficult one to make For one thing it means a redefinition of most managerial roles, one that includes a consultative function It also means a change in the traditional concepts of the "consultant" role, primarily that consultative help can be adequately provided internally as well as from external sources.

This article describes one such attempt at marshalling internal consulting help to assist a segment of a large organiza-

tion in their effort to deal with the critical questions surrounding their effectiveness

PROCESS PHASES

One of the learning highlights of the experience was the identification of a number of distinct but overlapping phases that seemed to be present in the process of the developing consulting team and the developing consultant-client relationship Although the model emerged from the case material, it may serve as a useful guide to following the experience The conclusions section summarizes some pitfalls and cautions for organizations that attempt a similar effort

The organizational development process in the case seemed to generally follow the sequential steps of data collection, problem diagnosis and action intervention The process is exemplified in the diagram in Figure 1 The chronology of activities and the major activity emphasis in the time sequence are shown All activities described are part of a total process which continued during the life of the project At different times, however, particular activities assumed major importance as others assumed lesser importance For example, although the team formation activity has major emphasis during Phase I, some team formation activity also takes place during Phases II and III

The process also seems to follow the model described in much of the literature on organizational change [2] Basically it involves sequential steps of preliminary problem identification, data generation and diagnosis, and action intervention, as essential elements in the process of change These are also the major process elements in a beginning organizational development program

In a previous paper,[3] a model was developed describing a continuum of "consulting styles" or modes and the relationship of those modes to an organizational development process The continuum described the consultant role as that of expert at one end and that of clinician at the other end The major

Figure 1 DESCRIPTION OF ACTIVITIES OF CONSULTING TEAM

	PHASE I	PHASE II	PHASE III
Consulting Team Activities Related to Its Own Functioning	Team Formation — assignment of tasks, decisions on how to proceed, how the teams will function together	Consulting team development identifying team resources, planning the use of resources	Review and evaluate activities, review problem priorities decisions on development of consulting resources Total system diagnosis
Consulting Team Activities Related to the Client	Preliminary data collection Preliminary problem identification of system and sub systems	Suborganization work identifying department issues, problem-solving in departments Coaching department managers Planning on-going organizational developments	Shifting responsibility of data diagnosis, and intervention to client.
Summary of Major Activities	TEAM FORMATION OVER ALL-DATA POOLING SYSTEM DIAGNOSIS — (PRELIMINARY)	DEPARTMENT DATA COLLECTION AND DIAGNOSIS ACTION INTERVENTIONS RELATIONSHIPS AMONG DEPARTMENTS	REVIEW AND EVALUATION TOTAL ORGANIZATION DIAGNOSIS SHIFTS TO CONCERNS ABOUT EXTERNAL RELATIONSHIPS

point of that discussion was that the interventional mode could vary and should vary along the continuum depending on current organizational and situational factors Chronologically the consulting mode in this case experience seemed to progress from expert to clinician as the organization matured and as the organization moved to a more problem-solving mode vis-a-vis its own functioning Phase I then, as far as the consulting team was concerned, seemed to coincide with the expert end and Phase III with the clinical end

The remainder of the article describes the case material from which the phases were derived and discusses several important factors in the use of internal consulting teams

BACKGROUND

Organizations have become increasingly aware of a variety of problems that, by their nature, have immediate or potential systematic impact In this case, such an organizational problem involved the Management Information Systems group, a part of a large aerospace organization Historically, the company had allocated significant resources to this group The MIS group was seen as an integral part of the company's growth and playing an important part in the company's planning and control function

For a variety of reasons the MIS group was never quite able to adequately fulfill its function or to reach the potential expected of it Almost universally the group viewed themselves as "system creators or developers " Their perspective with regard to their organizational role was to develop the best, most perfectly functioning management information system possible This perspective had important behavioral consequences for the group Primarily, it created a serious schism in their relationship with other parts of the organization This was particularly true for

those groups that were expected to use the products of the MIS group, but felt those products did not meet their day-to-day needs The widening gap between "producer" and "user" simply perpetuated itself The greater the animosity and hostility between MIS and its customers the more difficult it became for MIS to deal with the friction and the easier it became to believe in the inadequacies and incompetencies of the other groups Of course, the more MIS behavior reflected these beliefs, the more true these beliefs became Clearly, the relationship problem was seen by many observers as the critical dimension in the success (or failure) of MIS

Internally the MIS organization was composed of a number of functional groups and an internal service group The functional departments had responsibility for management information systems of particular types For example, one area concerned itself with material control systems, another with

project management systems, another with financial systems, etc The service department was responsible for providing training, consultative support, and maintaining technical expertise and knowledge of the state of the art The necessary linkages among the functional departments did not seem to be well established, although there was ample reason for such connection The service department, in its relationship to the functional departments of the MIS group, enacted in microcosm, the producer-user conflict that characterized the MIS, vis-a-vis its customers

A COMPOUNDED PROBLEM

The industry-wide demand for the technical resources required by MIS simply compounded the problem High turnover, which resulted in lagging schedules, merely convinced the users of the inability of MIS to perform, or worse, or their disconnectedness from the day-to-day problems of the organization Again, the cycle seemed to perpetuate itself, the more people left or talked about leaving, the more morale decreased, performance dropped, and people left

To compound things even further the organizational head of MIS was in the process of relinquishing his managerial role in another part of the company Consequently, he divided his time between the two organizations The lack of direct and consistent leadership contributed to the problems of the MIS group In addition, the noticeable absence of a full-time director gave rise to rumors that the MIS groups would be abandoned, dissolved, or, in some way, reorganized In general then the membership of MIS had developed a defensive stance toward the user population and became more and more defensive as morale degenerated

PROPOSED SOLUTION

In reality, the company had made a definitive decision The MIS groups were seen by top management as providing an important and necessary function The question increasingly be-

came—how can we provide the help necessary to transform the MIS from its current state to a more effective, fully functioning part of the organization?

The external consultant proposed to the personnel manager and the MIS director the creation of a consulting team to provide additional resources during this critical period When the concept was accepted, the three identified specific individuals in other parts of the company to link with each MIS manager, they based their choices for the team on a combination of factors expertise, competence and probability of acceptance by the particular MIS manager

The MIS personnel manager talked with each of the individuals selected and interested them in joining the experiment This was the beginning of the development of the internal consulting team whose experiences are reflected herein [4]

PHASE I
CONSULTING TEAM FORMATION

After initial discussion a consulting team was created of various interested individuals from industrial relations Each, in addition to his normal job assignment, became part of the consulting task force to provide the necessary organizational development resources to MIS The skill level among these individuals varied and, in some cases, the expertise was more "technical" than consultative For example, one person was an expert in hiring and placement, but not necessarily very experienced in organizational consulting The critical task of the team was to deploy its resources to MIS Each team member was to create a consulting relationship with a departmental unit in MIS, specifically, this meant a consultant for each functional area in the organization, as well as providing some consulting help to the director of MIS and his managerial "team "

The newly-formed consulting team began to tackle the problem of its own development Questions were raised and addressed around the need for coordination, sharing of information, agree-

ment on general approach, and ways in which the members of the team could learn from one another Generally, each consultant proceeded to make his own contract with the manager of his assigned functional area and began in his own way to create the appropriate client-consultant relationship Each consultant collected data from his assigned functional area, specifically around the problems each department was experiencing The data collection began with a sampling of interviews which asked such questions as

How would you describe what it feels like to work here?

What do you see as the critical issues for MIS?

What are the key organizational relationships within MIS?

What things would you change if you could?

What things would you keep as is?

What do you see as the key strengths and weaknesses in MIS?

DIFFICULT RELATIONSHIPS

Regular consulting team meetings were established as the operational mode of the team, team members were able to get help in resolving some of the problems they initially faced The problem of entry and acceptance was a critical one Regardless of the top down mandate sanctioning the consulting team approach, the degree of which individual managers utilized the consultants depended largely on the degree of trust and competence the consultant was able to convey

The general climate in MIS made entry particularly difficult The problem-ridden organization is not fully aware of the degree to which outside resources can be helpful nor is it open to accepting help It tends to see "outsiders" as meddlers and tends to experience threat to the control over its own affairs. Organizations, much like individuals, perceive accepting help as a "one down" situation or a subordinating situation in which the receiver is subordi-

nated to the helper The generation of a "sick" stigma resulting from entering into a client-consultant relationship cannot be ignored

ACTIVITIES WITH CLIENT

Most relationships began in a "coaching" mode — where the client was primarily the department manager The greater the trust, the more the consultants were able to deal with the *client-system* — that is, other segments of the functional areas.

As the consulting team became more involved with their clients, data collection became an important and natural part of the consultants' activities

At this point, the character of consulting team meetings shifted from team development to working sessions The team was concerned that the organizational data be "hot data" -- that the issues and feelings people identified would be relevant and timely Secondly, it was necessary to pool the team's data and begin diagnosis of the MIS problems in general In a way, this was a necessary step in coordinating the separate consulting activities into a concerted effort Although the consulting team members were primarily working in their own client-systems, there was reasonable anticipation that overlaps and connections would be present, and that team members could help one another by simply sharing data and participating in a diagnostic session

One approach the team developed was to use a problem matrix as a vehicle for summarizing problem areas in each functional organization as well as for MIS as a unit The functional organization was listed vertically, and problem areas, as they became evident from sharing and discussing data, were developed horizontally

Three major categories seemed to emerge

1 Problems internal to each functional organization (e g ,supervisory leadership, internal communication, technical skill level, etc)

2 Problems internal to MIS (e g , interfaces between and among functional organizations within MIS)

3 Problems external to MIS (e g , interfaces with users—other organizations within the company)

A summary of these initial problems is presented in Figure 2

PHASE II
CONTINUED TEAM FORMATION

From this summary and with the help of the team, each consultant was able to arrive at some action steps aimed at "working" those problems in his functional area Early in this phase strategies were directed at the internal problems of each area In some instances, action included further data gathering and a more detailed diagnosis of the problems in the functional organizations As an example, in one such organization the consultant gathered additional data by

interviewing a greater sample of people In simple percentages the number of people he had talked with increased from 10 to 75 per cent His diagnosis led to several specific problem areas In brief, these were such things as

1 Managerial communication
2 Coordination of activities
3 Supervisory styles
4 Roles and definition of mission
5 Motivation and morale
6 Technical competence

The consultant then had a series of meetings, first with the organizational head, and then in several expanded management groups in which he communicated in global form the nature of the data and his processes for diagnosis Together a strategy was developed for beginning to work on the problems outlined One such action was a two-day team building meeting with the entire suborganization and a series of manage-

Figure 2. MATRIX SUMMARY OF PROBLEMS IN EACH FUNCTIONAL AREA IN MIS

Computer Technology Dept	Material Systems Dept	Manufacturing Systems Dept	Project Mgmt Systems Dept	Financial Systems Dept	Engineering Systems Dept	MIS Departments	Problem Categories
	x	x	x			**(1) Department Problems**	Leadership
							Management Communication
	x	x	x	x			Professional Growth and Development Potential
	x	x	x	x			Technical Skill Level and Training
x			x			**(2) MIS Internal Interface Problems**	Lack of Manager's Involvement
x	x		x	x			Morale (Turnover) Pressure to Perform
x	x	x	x				Relationships with Computer Center
x	x	x					Disconnectedness of the Various Departments
		x	x			**(3) Problems With Product & Relationship to User**	Complexity of Systems Developed Tendency to Overdesign Beyond Usefulness
		x	x		x		Product is often Not Responsive to User's Needs
	x	x	x	x	x		Tendency Not in Involve User in Design of System
x	x	x	x		x		Tendency to "Reinvent the Wheel"

ment team meeting aimed at problem-solving the items identified above In these sessions the consultant's role was to act primarily as a facilitator in the problem-solving process

Consultant team meetings continued on a regular basis with a continual pooling of information and a continual updating of the consultants' interventions—organizational development activities—and diagnostic inputs on the state of the organization This included a review of the problem matrix, additions, deletions and reassessments of identified problems and "remedial" interventions that occurred or that were going on

The MIS organization was beginning to take form as a total system A key factor in this development was the decision of the MIS manager to move to MIS on a full-time basis One of the first indications of this involvement was a meeting of the MIS management team The separation of the functional area and the strain of the organizational tug-of-war was clearly evident at the outset The consultants played two important roles in preparation for this meeting (1) the consultants became data gatherers and diagnosticians in helping to focus this top team meeting on the perceived issues of MIS and (2) they coached their own functional manager by dealing with anticipations, apprehensions and expectations of the meeting

The meeting seemed to have fairly positive results The MIS internal interface problems were addressed and several key action items were identified as a way of beginning the unifying and coordinating process that seemed so central to this organization The MIS manager communicated a willingness and desire to deal with the interface problems and was able to describe how problems of this sort impinge upon the total organizational effectiveness Commitment for continued efforts in this direction was also communicated

ACTIVITIES WITH CLIENT

The consulting team continued their suborganizational focus working primar-

ily on the internal organizational development of each functional area More and more, however, the tenor of the consulting meetings seemed to drift toward concerns that represented total MIS issues and especially those that were reflected in the relationships among the departments

PHASE III
MATURING CLIENT - CONSULTANT RELATIONSHIP

As the concern from suborganizations to total organization became more and more pronounced, the consulting team made an exploit attempt to concentrate on the organizational system rather than on the subparts The first step in this direction was a meeting with the director of MIS The consulting team helped generate data which created a picture of how the total organization looked from a holistic point of view In addition, the consultants also talked about their current activities The process was primarily a diagnostic dialog between the client and his consultants Most of the diagnosis focused on the "climate" in MIS

For example, a good deal of information pointed to the separateness of the organizational elements and how that was related to the relationships among the managers of those elements Unwillingness to share resources, a lack of openness about the current status of things in the functional areas, unresolved conflict problem between MIS and its users, seemed to be the most prominent concerns It is important to note, however, that although some of these problems were identified earlier, the readiness of the client system to deal with these problems was considerably different at this point than it was during Phases I and II

The important action step that resulted from this session was that several team members were scheduled to meet with the director of MIS and map out alternative strategies to deal with these over-all problems, particularly those which were customer-related The total consulting team would then meet to

finalize the consulting strategy and do some concrete action planning

ASSUMING RESPONSIBILITY

Several events seemed to mark a shift in the responsibility for the organization's health One was the establishment of an organization-wide Training and Development Council composed of line managers The council represented all functional segments of the organization They were seen as not only being in formal positions of power but influential people able to concern themselves with total organizational problems, and who had a strong interest in the total organization health A second indication was a clear shift in the participation of line managers in the data collection and diagnosis of MIS organizational problems

The consulting team reviewed the status of problem areas and action plans they had established during Phases I and II and a gradual updating of the inventory of problems took place with more and more inputs from line managers and the training council In this phase the consulting team made an explicit effort to shift the "consulting" function to internal organization members

MANAGER INVOLVEMENT

The line managers began to get more and more involved in the same kinds of problems that concerned the consulting team Each consultant in each functional area took on the role of "coach" with a manager in his area The intent was to begin skill development in organizational consulting team periodically to learn about consulting style, diagnostic techniques and strategy formulation At the same time, an increased desire to use one another in a consultative mode began to develop The relationships among the functional areas and the MIS climate in general had changed significantly There was a good deal more trust and collaboration compared to several months before

As the organization began to take more responsibility for dealing with their internal problems and with their external

relationships, the consulting team began a process of "phasing out." The team seemed to be less necessary. The original notion and operation of assignments of consultants to fuctional areas was less efficient now than when the team began, the organization had less need for the magnitude of organizational consulting help represented by the team. The problem focus became more MIS oriented and more externally oriented toward improving relationships between MIS and other relevant groups in the organization

CONCLUSION

The experience indicates that there are times in an organization's life when concentrated organizational development resources are needed and when it doesn't seem feasible to muster external consulting resources to do the kind of activity required, especially when the

duration is very short One very real issue in a consulting team effort is the willingness of the organization to release people from some of their day-to-day activities to engage in consultative activities Internal resources have the advantage of at least some knowledge of the organization, its culture, its dynamic, its goals, its objectives, even to some extent, the personalities involved within the suborganization in which they are going to be working The time and energy required for any external consultant to acquire this kind of intimate knowledge of the organization makes that alternative less than satisfactory This does not mean that the external consultant cannot play a role in this process, not at all, but his role is highly specialized

For example, he may act as a consultant to the consulting team and provide inputs to facilitate the organizational problem-solving process the team is engaged in So in a very real sense, the consulting team faces the same problems around the utilization of *their* consulting resources as the organization to which they are providing a consulting service

DIFFERENTIATION - INTEGRATION

One important function that the consulting team can provide is that of integrating or pulling together the separated parts (often alienated parts) of the organization in which they are working This can be accomplished in a number of ways The first and perhaps the most obvious is by simply pooling organizational data One function of the consultants might be to act as a switching center for information This simply means the sharing of total organization data by the consultant with his client This is primarily data which is pertinent to the total organization and not privy data Separateness and alienation among parts of the organization is partly due to a lack of information about other parts of the system This kind of function, of course, cannot be continually played by the consulting team There must be a

time in the growth process of the organization in which it designates people, or in some other fashion, takes on the function of data sharing in the system

A second important integrating function that the consulting team can provide is to begin the linking process between and among the alienated parts For example, when two or more consultants have data which indicates difficulties in specific relationships among the suborganizational units to which they are consulting, then these consultants can design and implement the action necessary to build a more effective relationship between and among the alienated subunits. In this particular case, this was especially important because the characteristic difficulties in the relationships among the MIS functional departments was similar to the difficulties between MIS and other groups in the company

The integrating function provided by the consulting team was a very significant one [5] One caution in this regard is that the members of the consulting team might very easily (and did) become identified with the departments they were consulting with Although differentiation and separateness may be appropriate early in the consulting team arrangement if it persists beyond the point at which integration must take place, then not only is the organization hindered from achieving its fully functioning state, but, in addition, the consultants are not fulfilling the responsibility they have to the total organization In a sense there is a degree of sub-optimization that takes place, it is possible for each suborganization to be "healthy" and yet the total organization may not be as fully functioning as it could be

RELATIONSHIP TO EXTERNAL CONSULTANTS

The case material points to the possibility that there are times and situations in an organization's life where having internal organizational development resources is not a luxury but a necessity. For the moment, let's begin with two

statements that might be considered givens (1) most organizational development programs at the outset employ, in some form, an external consultant who plays the role of third party and (2) in most organizational development programs there is a useful and perhaps necessary function for "a third party facilitator" or an organizational consultant A significant part of the external consultant's strategy in any organizational development program in which he is involved would include at the very beginning explicit planning for the development of internal resources The specific method, of course, can vary One way would be to involve several internal people in the organizational development process at the outset and to engage with them in a training process so that they can develop some degree of proficiency in performing organizational development activities Another approach, like that of a large western company, would be to develop and implement a fairly comprehensive training program aimed specifically at the development of organizational consulting skills

The case experience showed clearly that the degree to which a consulting team is able to effectively apply its specialized resources depends largely on how effective a team it is Hence it may very well be worth the time and effort very early in the formation of a consulting team to build the kind of group in which (1) the resources are readily explored and inventoried, (2) there is a developing commitment and willingness to help one another with their consulting processes and (3) there is continuing trust building so that concrete data about their respective suborganizations can be shared as much as possible

At times then, the same kind of processes that the consulting team encourages their clients to engage in are also applicable to its own functioning as an organizational organism That means that a continual assessment of the way in which they are functioning as a team, the way in which they are using their resources, and the way in which they are proceeding with their consulting task is necessary It is indeed feasible and makes good sense for the consulting team to also employ a consultant to assist them in their own team-building activities and their own on-going evaluation of their processes

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2 See for example, Lippitt, R , Watson, J , and Westerly, B , *Dynamics of Planned Change,* Harcourt, Brace, and World 1958

3 Op cit , Margulies, N , and Raia, A P , Fall 1968

4 The author wishes to acknowledge the contributions of Frank J Jasinski and Wallace C Van Deren who played central roles in the case described

5 The important theoretical element which relates to the fully functioning organization is derived from Gestalt psychotherapy in which the key processes of first differentiating the necessary parts and functions of the personality, and then integrating the parts into a complete Gestalt so that the energy in a person is directed toward achieving what the person wants rather than expended in sabotage and war between the subparts of this personality is directly applicable to organizations Very often the subparts in an organization, functionally speaking, are necessary for the total functioning and the total achievement of the of the organization Yet much of that energy is expended in awarding and competitiveness, and even sabotage among the subelements so that very little energy is left toward the achievement of total organizational goals So that, in a sense, where the goal of Gestalt Psychotherapy, vis-a-vis the individual is the integration of achievement of the Gestalt is considered the goal of psychotherapy Then the connection or integration of the alienated parts into an organizational Gestalt is very much considered to be the goal of the organizational consultant At least, it is for this writer

D O D. UTILIZATION OF MINORITIES

Assistant Secretary of Labor Arthur A Fletcher has praised the recent action by the Department of Defense in establishing goals and timetables for upgrading and increasing the utilization of minorities in defense occupations as a major step forward in helping to solve the employment problems of the 1970's

Over one million servicemen and women will complete their military service in the Armed Forces this year and return to civilian life, he pointed out Almost four million Vietnam era veterans have already returned to civilian life

The assistant secretary noted that with such a large number of veterans returning to the work force, "there is a need to streamline the government to meet the needs of equal employment opportunity " He cited the Defense Department action as a significant achievement in developing uniformity and management systems

In recent testimony before the Armed Services Subcommittee on Equal Employment Opportunity, Assistant Secretary Fletcher pointed out that affirmative action in establishing goals and timetables for the utilization of minorities is a requirement of government contractors under Executive Order 11246