
Internal consulting: perspectives on the process of planned change

Internal
consulting

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Articles which address consulting issues, focus typically on external consultants who are hired on an as-needed basis. They come from outside the company, stay for the duration of the contract and then leave (Kleiner, 1992). This article takes a different view, and focuses on the consulting cycle as experienced typically by internal consultants.

As defined here, an internal consultant is an organization development professional who is employed full time by an organization, and who reports to a general manager or other senior manager. This person can be an individual contributor who works alone, or may have others reporting to her/him such as specialists in OD, human resources, training, communications, etc. In any event, the internal consultant works exclusively within the domain of the employing organization, and at the behest of the manager to whom he/she reports.

Comparisons are made between the general world of consulting for planned change, as typified by the external consultant, and the specific world of internal consulting – a perspective rarely surfaced or discussed. The intent is not to provide an exhaustive comparison, but rather to use brief comparison as a springboard for highlighting the features of internal consulting which are unique. Characteristics are then drawn which describe the internal consultant's field, followed by an outline of the advantages and disadvantages experienced by people in the internal consulting role.

The general model of planned change as outlined by Cummings and Worley (1993), is adapted for use in this article. It includes the consulting phases of entering, contracting, diagnosing, intervening, evaluating and sustaining change. Table I describes the salient differences between the worlds of external and internal consulting, followed by brief discussion.

Entering

External consultant. Entering is often one of the most difficult stages, involving marketing, the building of client relationships and clarifying the organizational issue to be worked (Harding, 1992). Making cold calls, attending professional meetings and public speaking are common ways used by externals to obtain clients. The *Journal of Business Strategy* (1993) states that externals must be fast on their feet to grasp quickly an organization's jargon and discern it from language in common usage in order to communicate with the client. Further,

every external consultant knows that the problem presented by the client is usually a symptom rather than the cause of the real issue (Block, 1981). This stage can be time-consuming and personally stressful for the consultant. Much energy can be expended before a contract is signed or the external decides not to take the project.

External consultants	Internal consultants
<i>Entering</i>	
Source clients	Ready access to clients
Build relationships	Ready relationships
Learn company jargon	Knows company jargon
"Presenting problem" challenge	Understands root causes
Time consuming	Time efficient
Stressful phase	Congenial phase
Select project/client according to own criteria	Obligated to work with everyone
Unpredictable income	Steady pay
<i>Contracting</i>	
Formal documents	Informal agreements
Can terminate project at will	Must complete projects assigned
Guard against out-of-pocket expenses	No out-of-pocket expenses
Information confidential	Information can be open or confidential
Loss of contract at stake	Risk of client retaliation and loss of job at stake
Maintain third-party role	Act as third party, driver (on behalf of client), or pair of hands
<i>Diagnosing</i>	
Meet most organization members for the first time	Has relationships with many organization members
Prestige from being external	Prestige determined by job rank and client stature
Build trust quickly	Sustain reputation as trustworthy over time
Confidential data can increase political sensitivities	Data openly shared can reduce political intrigue
<i>Intervening</i>	
Insist on valid information, free and informed choice, and internal commitment	Insist on valid information and internal commitment; free and informed choice is a luxury
Confine activities within boundaries of client organization	Run interference for client across organizational lines to align support
<i>Evaluating</i>	
Rely on repeat business and customer referral as key measures of project success	Rely on repeat business, pay rise and promotion as key measures of success
Seldom see long-term results	Can see change become institutionalized
	Little recognition for a job well done

Table I.
The differences between external and internal consulting

Internal consultant. As an insider in the organization the internal consultant spends little, if any, time on entry (Walton, 1969). Unless new at the job, relationships with organization members are usually established, and can grow into client relationships as opportunities arise. “Presenting problems” are rarely confused with true root causes because of the internal’s intimate knowledge of the organization’s people, processes and operations. The internal knows where the sacred cows, waiting guns and sources of power rest. She/he is up to speed and comfortable with company anachronisms and jargon.

On the downside, an internal consultant may be assigned to a project by the senior manager in which the internal has no interest. She/he is unable to refuse or walk away. The internal is expected to work – and work well – with any and all employees in the organization, regardless of personal preference or style. The work may be with the immediate supervisor, peers, functional managers or departments at any level. Occasionally the senior manager will assign an unenthusiastic internal consultant to a manager who does not want help or value OD. Both must make the best of a bad situation, delivering the required results on time in a conscientious and courteous manner.

Contracting

External consultant. The purpose of contracting in the planned change process is to clarify goals, roles, ground rules and the use of resources (Block, 1981). The external consultant relies on letters, proposals and legal contracts. Such measures help to ensure that client expectations are met and protect consultants from loss of up-front development costs and out-of-pocket expenses. Circumstances under which either party can withdraw are spelled out, usually indicating that the relationship can be terminated at will. The external consultant is routinely able to maintain a defined third-party role complete with guarantees for the confidential treatment of data as generated by participants.

Internal consultant. Contracting is equally important for internal consultants. Much work is contracted verbally. The more familiar the internal consultant and client are with each other, the more likely it is that the contract will be verbal and informal. When relationships are less developed, the internal consultant is likely to send a follow up letter which confirms the agreements reached. The internal consultant does not worry about development costs or out-of-pocket expenses.

Relationships established over time tend to assume agreement on key issues. Regardless of familiarity, it is paramount that the internal consultant should have a personal contract with the client regarding four areas: confidentiality, the delivery of bad news, consultant’s role, and the extent of the client’s personal involvement in the change process. They must concur on how to handle confidentiality and they must decide on the degree to which the entire change process will be open; that is, the degree to which all members of the change process are privy to all known information, or, they must agree how closed the process will be, and determine what information will be held confidential and

by whom. Whether the change process is open or closed is in large measure a result of what the client and the system can tolerate. The internal consultant must be prepared to operate at any point along the open to closed continuum, and be prepared to make a recommendation – backed up by a climate diagnosis – of where that point ought to be.

Delivering bad news, or a tough message like critical feedback for the client, must be contracted especially. In this area, the internal consultant is particularly vulnerable (Block, 1981). Unlike the external consultant who risks losing one of, presumably, several clients, the internal consultant can be subject to client retaliation. Minimally, the client can shut out the internal consultant, or abandon the change project altogether. In the extreme client retaliation might result in termination. These risks necessitate clear, defined contracting around the delivery of tough messages regarding such issues as personal style, trust, control, power, authenticity, competence, promotability, succession, etc. Clear contracting around such sensitive issues can strengthen the consultant-client relationship; it prepares the client psychologically for the possibility of hearing tough messages, and grants permission to the consultant to address issues usually avoided by others.

During the contracting phase, the internal consultant needs to be watchful of his or her role. Unlike the external who is always a third party to the process, the internal may also be expected to drive the project alone, or on behalf of the senior manager. The exact nature of the manager's involvement must be defined. Busy managers will offload anything they can and internal OD professionals must in large part respond. So it is during the contracting phase that ground rules for sufficient client involvement are established to ensure the project's success.

Diagnosing

External consultant. The generation of models which describe organizational performance starts the diagnostic phase of consulting for planned change. The usual open systems model can be applied to organization, unit and individual levels. It leads the way for the collection and analysing of data, preparation of feedback and action planning (Dyer, 1989). While the external consultant carries the burden of data gathering, usually with questionnaires and/or face-to-face interviews, an iterative process is followed thereafter, leading to client-consultant joint analysis, diagnosis and action planning.

It is during data collection that the external consultant meets many organization members for the first time. While afforded prestige and status as a paid consultant, the external must be able to develop rapport and trust quickly, in order to gather credible information. This is accomplished through assurances of confidentiality, and guarantees regarding the use of the data. Political sensitivities emerge. The success of the project in large part, relies on the external consultant's ability to collect truthful information and avoid political blunders.

A well-run feedback session provides the client with the opportunity to accept ownership of the data. This potential is maximized by the consultant structuring the meeting in such a manner so as to ensure that the appropriate members, with the appropriate power and motivation, are chosen to attend; and further, that process help is offered to help the client work the data (Nadler, 1977).

Internal consultant. The diagnostic phase is essentially the same for both internal and external consultants. A few minor differences are discussed below in order to highlight conditions under which the internal person operates.

The internal consultant's status resides in the position level and reporting relationship within the organization. Internal consultants tend to move across organizational boundaries. OD consultants reporting to general managers enjoy more status than similar job levels reporting to the human resources function. Reputation and visible relationships with key players impact status and trust levels. As such, they in turn impact the willingness of respondents to tell the truth during the phase of data collection. The internal consultant must weigh the issues of status, trust and likelihood of respondent truthfulness when determining methods of data collection. The degree to which the process is open or closed, as mentioned under contracting, must also be taken into account. The more closed, the more assurances about confidentiality must be given, and the more arms-length devices – such as anonymous questionnaires returned to an outside address – must be employed. The more the internal consultant is trusted and the more openly the change process is conducted, the fewer, if any, assurances regarding anonymity and confidentiality must be given. When possible, open processes are preferable. Because data is freely available to everyone, an open process simplifies the change effort by reducing the political intrigue which results from promises of confidentiality. However, few organizations embrace open change processes; most require OD consultants to promise confidentiality and walk a fine line between what information is public and what is held private during feedback sessions.

The success of any feedback session depends on client ownership of the data. It is often difficult for clients to perceive organizational dysfunction. Enmeshed ways of thinking, doing and talking are often found in the organization's sacred cows and unique language codes. It is not unusual for the internal consultant to be the only person at the feedback session who can challenge the organization's ineffective habitual behaviour. An internal consultant has the advantage of knowing where the habits reside, and the disadvantage of knowing that poor confrontation of the issues may not only result in weak client commitment, but in project failure or possible rejection. This once again underscores the significance of proper contracting around the delivery of tough messages and client permission to disrupt the status quo.

Intervening

External consultant. The design of activities to address issues, which were generated as a result of the feedback session and joint diagnosis, compose the

consulting phase of intervening. Argyris's classic work (1970), stresses the need for: valid information; for free and informed choice – meaning people can choose to participate or not, without interventions forced on them; and for internal commitment – meaning people take ownership of the planned activities and will see them through to conclusion. External OD consultants may insist that these conditions be met before accepting a project.

Identified issues must be addressed by designing interventions to meet specific needs. Human processes, technology and structure, human resources and strategic issues are categories in common usage among external consultants to describe the interrelated issues addressed by intervention design (Cummings and Worley, 1993).

Internal consultant. The phase of intervening for the internal consultant is composed of the same needs identified by Argyris (1970) and the same organizational issues and interventions defined above for external consultants. One key difference between the external and internal worlds of consulting is that of free and informed choice, as described by Argyris. Internal consultants view the characteristic of free and informed choice as a luxury not often granted to organizational members. Most change projects begin with testing the waters of opportunity, hoping to build critical mass that will sweep in all members and result in commitment for change. However, all projects are not successful in generating enthusiasm for change. When the senior manager or management team insists on the change project regardless of members' interest, people are assigned work which aids implementation whether or not they volunteered personally. In this way, collaboration, co-optation and obligation are all employed during the intervention phase of consulting for planned change. It is hoped that by involving people early on, they will become committed to the change.

Internal consultants commonly run interference for their boss or client's change project. Meetings with stakeholders tend to be of two types. The first is a work session where everyone knows they are coming to brainstorm, discuss, analyse, anticipate and solve problems. The second is ceremonial, where key players commit to each other their willingness to support a change effort. Less senior internal consultants commonly confuse the two, and wonder why no progress is being made. Usually, all essential work must be done off line and can be accomplished by meeting individually with key players. This is where the stakeholders speak candidly of needs and concerns. Once these are addressed by the change project, the stakeholders will commit resources and support in a meeting of a ceremonial nature. To go public with the change project before these steps are accomplished tends to create political issues and possible derailment of the project.

Evaluating

External consultant. Action research follows an iterative process of consultant-client assessing, working, assessing, working. Evaluations of interventions are conducted mid-stream to allow for course corrections, and at the end to monitor

the extent of the change project's realization (Beckhard and Harris, 1977). Some external consultants confine evaluation input to themselves and the manager-client, looking for subjective perceptions and indications of satisfaction. Others include all organization members through the use of surveys, focus groups, etc. Still others will add unobtrusive measures such as first pass yield, cost, delivery, or safety. In any event, evaluation when conducted reveals the efficacy of individual activities or the overall success of the change project. In the field of OD itself, the evaluation phase receives the least amount of attention. It is not unusual for an external consultant to shy away from it altogether, instead relying on repeat business and client referral as the ultimate measure of change management success.

Activities that sustain the change usually occur after the external consultant has departed and are off-loaded to the client and other organizational members. Evaluation of these activities rarely happens.

Internal consultant. The world of the internal consultant is highly similar to that of the external regarding evaluation of interim activities and project end. The more money spent on intervention the more the client wants measurable results. An added impetus for internal consultants to measure the success of their work comes from possible pay and promotion opportunities. However, client satisfaction and word-of-mouth are usually the evaluations which take place.

One of the more stressful conditions under which internal consultants operate is the notion that: "If you are good at what you do, the client will think she/he did it all". Internal consulting can be an isolated and lonesome profession (*Supervision*, 1991). People sometime wonder, "What do you do?". Internal OD consultants need ready answers which avoid jargon and can be understood widely by organization members. The internal consultant has the advantage of watching change projects become institutionalized and playing a role in monitoring the activities which sustain and ensure a change project's success.

Characteristics of the internal consulting world

In light of the discussion, the world of internal consulting is characterized by:

- *Role confusion.* The internal consultant must clarify and guard the attributes of a chosen role, whether it be third-party consultation, facilitating, counselling, leading a project or performing as a team member. Busy managers and stakeholders will often press the internal OD consultant for greater levels of service. Ways in which to maintain role clarity and resist work overload must be developed.
- *Compartmentalization.* The internal consultant must remember and act in accordance with numerous agreements regarding confidentiality as well as promises to run interference on behalf of others. Monitoring the status of dozens of agreements and ensuring conscientious use of data can be stressful. Both are important factors in the success of a planned change project.

- *Marginality.* Moving freely through the organization, the internal consultant operates without regard to territorial boundaries. Often straddling two or more departments, she/he has a unique perspective of how it might be possible to integrate the needs of disparate members and goals. However, the internal OD professional commonly has no reference groups of like-minded individuals with similar skill sets, and can experience feelings of isolation and loneliness.
- *Unclear career path.* As an individual contributor, promotions are often received by inventing new job descriptions rather than by a clear path of development. It is not uncommon for satisfied clients to push the internal consultant to leave behind the third-party role by offering a management position – usually of various functions such as OD, HR, T & D, etc. Internal consultants, at one time or another, usually need to make a conscious decision as to whether to safeguard their individual contributor status or to seek management opportunities.
- *Continuity.* The internal consultant sees the fruits of labour by watching a project from idea and conception through to completion. Overtime relationships are established and organizational history is absorbed. Both can enable internal consultants to serve client needs better by knowing what has worked (or not worked) in the past and by knowing key players to involve in initiating and implementing change.
- *Client expectations.* The strength of the client relationship is determined by two things: on the one hand, by the trust and credibility that the internal consultant has built, and on the other, by the client's faith that implementing organizational development activities will help ensure client success. The degree to which both are present determines the viability of the working relationship.
- *Departmental jealousy.* Because of the position of influence enjoyed by the internal consultant, she/he is vulnerable to the envy of others. This is particularly true of the individual consulting contributor, who lacks the trappings of legitimate power inherent in management positions. Organization members can wonder why this person has access to key players and meetings; they can feel diminished because they are not invited to major decision-making events. It is essential that the internal OD consultant has good rapport, strong relationships and a credible reputation in order to minimize the possible adverse impacts of departmental jealousy.

Summary and conclusion

In summary, it can be said that while external and internal consultants perform many of the same tasks in the performance of implementing planned change in organizations, salient differences exist throughout the consulting cycle. While

each traverses the key events in the phases of the general model of planned change, each is faced with separate issues and dynamics.

Key differences between external and internal consultants were explored. In the consultant phase of entering, differences were identified in the areas of marketing, income, stress and relationship building. During contracting, areas of difference were found in formality, confidentiality, expenses, client retaliation, and role clarity. The diagnosing phase identified differences in the areas of relationship building, gaining prestige, building trust, use of data and political sensitivities. The phase of intervening indicated dissimilarities in the use of one of Argyris's (1970) conditions for successful planned change – that of free and informed choice, as well as boundaries found on consultant activities within the company such as running interference to align support. The

Advantages	Disadvantages
<i>Entering</i>	
Familiar relationships	Must work with everyone
Little marketing	Cannot drop a project
Steady pay	Less prestige than external consultant
No selling of unneeded services, less conflict of interest	
Familiar with company jargon	Work may become boring and routine
<i>Contracting</i>	
Ease of verbal contracts	Informality may lead to lack of clarity and thwarted expectations
Knows the system and players	Juggling demands of changing confidentiality and openness
<i>Diagnosing</i>	
Knows where to look for dysfunction	Can be part of the problem
	Subject to client retaliation and termination
	May not have latest techniques
Moves freely within the organization	May experience isolation and loneliness
<i>Intervening</i>	
Knows "fit" between organizational issue and intervention	May have limited vision
	Free and informed choice is a luxury: people may be forced to participate
Identifies key power sources	
Ingratiates self to boss	Project failure may humiliate self or boss
<i>Evaluating</i>	
Success can be negotiated into a pay rise	Failure may result in loss of status or in termination
Success increases stature and broadens project opportunities	May experience isolation and alienation from client system
Success may mean being asked to manage various departments	Success may mean being asked to manage various departments

Table II.
Advantages and disadvantages of being an internal consultant

evaluating phase showed differences in the long-term view of results, key measures of success and recognition for a job well done.

It was found that the world of internal consulting is characterized by several challenges. Role confusion, compartmentalization, marginality, unclear career path, continuity, client expectations, and departmental jealousy stand out as common experiences among internal OD professionals. Understanding these challenges may help internal consultants to anticipate and cope effectively with these pressures. Table II highlights the perceived advantages and disadvantages of the world of the internal consultant.

Advantages experienced by the internal consultant are: ease of entry, steady pay, little conflict of interest, freedom to move across organizational lines, informal contracts, ready relationships and familiarity of the system. Disadvantages are viewed as: obligation to work with everyone in the organization, work may become boring or routine, subject to client retaliation, free and informed choice is a luxury as people are often not given a choice regarding participation in a change project. Further internal OD consultants may experience isolation within the organization, and feel stress when juggling the disparate demands of confidentiality and openness.

Finally, internal OD consultants have little information which clarifies the unique features of their work lives. Unlike external consultants who have large networks and publications to meet their needs, internal consultants often work in isolation. They may be unaware that other internal consultants share a fundamentally common experience. While this article has identified characteristics and challenges of the internal consulting world, greater exploration is needed. How best to address these challenges? What competences are needed? It is hoped that this article will serve as a springboard for internal consultants to engage in useful dialogue in order to develop the comfort and conviction necessary to act with courage and grace while consulting for planned change within their organizations.

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