Nicole J. Saam

Organization and Consultation

A Textbook on Foundations and Theories

Translated by Gordon C. Wells

PETER LANG
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Foreword

This book aims to encourage theoretically based reflection on organizational consultation. It is a translation of my German textbook "Organisation und Beratung. Ein Lehrbuch zu Grundlagen und Theorien". References to the literature in the German language have been replaced by English translations or by the English original title if available. My warmest thanks go to Gordon C. Wells for his careful translation.

Special thanks are due once more to Claudia Neumaier for careful and punctual production of the layout.

Schöngeising, September 2010 Nicole J. Saam

I should like to express my thanks to Professor Nicole J. Saam for reading my draft translation with such care, making helpful suggestions for improvements and answering all my queries so fully.

Leamington Spa, September 2010 Gordon C. Wells

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1. Introduction

1.1. Target Readership

This textbook is aimed at four groups of readers:

Students wishing to research, from the viewpoint of social science, the topic of organizational consultation, either in total or with the focus on certain aspects of the interactive relationship between the organization providing advice and the organization receiving it.

Consultants for organizations and enterprises who aim to give a social science grounding to their knowledge of organizational consultation and would like to reflect critically on their consultation practice and expand their options for action.

Representatives and members of client enterprises who aim to give a social science grounding to their knowledge of organizational consultation and would like to reflect on their behaviour towards consultants and expand their options for action.

Academics who seek inspiration from the conception proposed here, especially from the discussion of the various existing theories of organizational consultation and their importance for the formulation of an overarching theoretical perspective.

1.2. Aims and Objectives

In the 1980s and 1990s the research area of organization theory was systematically explored in textbooks (e.g., Scott, 2003 [1981]; Tsoukas & Knudsen, 2003). Such textbooks offer not only an overview of the theoretical perspectives of a subject area in the form of teaching aids. They also reconstruct the research in these subject areas, since proponents of every theoretical perspective are expected in the medium term to define and discuss their assumptions and hypotheses in the context of competing theoretical approaches. To this extent, textbooks can contribute to a systemization of the research.

In organizational sociology there has hitherto been a glaring omission within the context of organization theories and theories of organizational change. There is no systematic description of the particular interaction relationship that accompanies many processes of organizational change, namely, organizational consultation. This is true of both English and German language publications. The present textbook is designed to rectify this omission. It aims firstly to offer an overview of social sci-

ence-based theories regarding organizational consultation. To this extent it is intended as a teaching aid for students. In addition it aims to enable both consultants to organisations and their clients to reflect critically on their behaviour and to expand their range of options for action. Finally, this textbook aims to be a crystallization point for the many scholars who have been researching in this area in relative isolation. In particular, the book aims to facilitate and promote comparative discussion of the importance of the different existing theories in formulating an overarching theoretical perspective on organizational consultation.

1.3. Outline

This book is structured in such a way as to cover the different aims and objectives of the different target groups:

Part One is devoted to the conceptual and methodological foundations of the textbook. The key concepts of organization, consultation and organizational consultation are clarified in provisional working definitions (chapter 2). Next, the concept of theory that this book puts forward is explained. Like the theories of general sociology and theories of organization, the theory of organizational consultation cannot be expressed as a single unified theory. The methodological considerations that underlie the treatment of this theoretical diversity are set out in chapter 3.

Part Two is devoted to the theory of organizational consultation. In systematic expositions, an introduction to social science-based theoretical perspectives is offered (chapters 4-12).

Each chapter follows a uniform pattern: proponents of the theory, important sources, the concept of organizational consultation, key propositions, empirical research, assessment and critique, questions for consultants, questions for clients.

The subsection *Proponents and Key Sources* provides a brief introduction to the basic assumptions of the particular theoretical approach[1], and the subsection includes guidelines for those who wish to gain a deeper understanding of this theoretical perspective.

The subsection *Concept of Organizational Consultation* offers a brief overview of how the theoretical approach defines the concepts of organization and of organizational consultation.

The subsection *Key Propositions* presents in detail the essential propositions made by the theoretical approach regarding organizational consultation.

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[1] I normally use the term "approach" as a synonym of "theoretical approach". Chapter 5 contains a discussion of ideal types of organizational consultation, which in the literature are frequently termed consultation approaches. It is essential to differentiate clearly between the two terms. Consultation approaches are approaches that consultants follow in the course of the action of consultation, whereas theoretical approaches are sociological theories that aim to describe, understand and/or explain the action of consultation.

The subsection *Empirical Research* presents empirical studies and their results in order to establish how far the propositions of the theoretical approach can be regarded as empirically well founded or corroborated.

The subsection *Assessment and Critique* evaluates the contribution made by this theoretical perspective towards a theory of organizational consultation. The assessment and critique is based on a metaperspective, about which I shall have more to say in chapter 3.

The subsections *Questions for Consultants* and *Questions for Clients* address both consultants to organizations and their clients directly. Both consultants and clients will be more open to new opportunities for knowledge acquisition and action if they try to analyse the situation in which they must act as consultant or client from the perspective of a theoretical approach. Accordingly, each theory chapter ends with questions designed to enable consultants and clients to analyse their situation from the perspective of this theoretical approach. In composing the questions I have assumed that readers will not read both subsections but will select either the questions for consultants or the questions for clients. If, contrary to my assumption, readers should choose to read both subsections one after the other, they will inevitably be struck by the repetitions, although always from the viewpoint of the other actor in the consultant-client relationship. I apologize for this stylistic infelicity.

Finally, Part Three reflects the current state of research into organizational consultation. To the theoretical approaches described should be added those which could have made a valuable contribution if they had reached a more advanced stage of development. The metaperspective underlying the subsection *Assessment and Critique*, which is merely alluded to in chapter 3 but could not at this stage be further explored, is derived from the subsequent comparison of theories and the compilation and systematization of the key debates that have accompanied research into organizational consultation (chapter 13).

Part One:

Foundations

2. The Concept of Organizational Consultation

2.1. The Concept of Organization

There is no such thing as *the* concept of organization. The definition of organization depends on the theoretical perspective. This will change, particularly in Part Two of this book, from subsection to subsection. It will therefore be necessary to discuss the concept of organization at the appropriate time in each particular context. It would only cause confusion to discuss each one in turn here. On the other hand, there is no space to set out the theoretical background in sufficient detail. We shall therefore at this point propose a definition of organization that can be readily understood without wide-ranging theoretical knowledge:

> An organization is "an aggregate (collective) of persons, interacting according to the principle of division of labour, founded by particular persons, created according to a plan for the realization of specific purposes, hierarchically constituted, equipped with resources and relatively permanent and structured. It possesses at the very least a centre of decision-making and control to ensure the cooperation between the actors necessary to achieve the purpose of the organization, and to it, as an aggregate, can be attributed activities or at least the results of activities" (Abraham/Büschges, 2004; p. 58f.; tr. GCW).

This definition makes it clear that this book does not deal with organization as a social process of organising (also known as the activity-oriented concept of organization), nor with organization in the sense of being organized (instrumental concept of organization). Instead, this chapter sets out an institutional concept of organization. An organization is understood as a particular kind of institution. In Part Two, this institutional concept of organization will be reformulated from one subsection to the next in the terms of a different theory.

2.2. The Concept of Consultation

Just as there is no such thing as *the* concept of organization, neither is there such a thing as *the* concept of consultation. Drafts of a sociology of consultation do exist

(Schützeichel, 2004; p. 274 ff.) and the ideas on conceptual demarcation that they contain will be taken up here.[2]

It is meaningful, then, to distinguish between consultation, instructions and taking charge. They all represent systems of interaction between two actors, they concentrate on problems of decision-making, and are distinct from systems of interaction that relate to problems of understanding and achieving communication. Examples of the latter are everyday conversations, gossip, speeches, passing on information or lectures.

Instruction denotes an interaction system within which an actor must accept situational definitions and specific actions from another actor. Acceptance is checked, since criteria of right and wrong exist. If a situational definition that has been evaluated as wrong is accepted, sanctions follow. Instruction is not supposed to compel an actor to accept particular specific situational definitions or specific actions. The actor should rather accept them after using his or her judgement. Examples of instruction are school and university teaching.

Taking charge means one actor making a decision for another actor. The second actor's scope for decision-making is restricted. Examples can be found in the care of the elderly and the mentally ill.

Consultation, by contrast, assigns responsibility for making the decision to the one seeking advice. The decision is not checked, as there are no recognized criteria for right and wrong. If a situational definition or opportunity for action that has been wrongly evaluated by the adviser is accepted, no sanction follows.

Consultation may therefore be provisionally defined as a system of interaction between an advice provider and an advice seeker that concentrates on problems of decision-making and leaves the responsibility for making the decision in the hands of the advice seeker.

We can distinguish different degrees of formalization of consultation practice:

Informal or non-professional consultation designates consultation outside of defined professional competencies (Rechtien, 1988). Advice providers and advice seekers are family members, friends, neighbours or colleagues. In everyday life the vast majority of problems of decision-making are handled with the aid of this informal social network.

Professional or Institutionalized Consultation is carried out on the basis of defined professional competencies. Advice providers normally have a professional qualification in consultation (as understood in the English-speaking world; not in the narrower sociological sense, which designates training for a closed, self-regulating profession; cf. Bohn & Kühl, 2004). Their consultation practice is governed by a system of rules, whose binding character is socially recognized and which exhibits a certain degree of stability.

[2] Without, however, taking over the social phenomenological perspective proposed there.

2.3. The Concept of Organizational Consultation

Since there is no such thing as either *the* concept of organization or *the* concept of consultation, it should come as no surprise that there is no single definition of the concept of organizational consultation either (cf. Kröber, 1991). Consider these two examples:

> "Management consulting is defined as a service provided by one or more independent and qualified persons. Its purpose is to identify, define and analyse problems relating to the client enterprise's culture, strategies, organization procedures and methods. Solutions to problems need to be developed, planned and put into effect in the enterprise" (Niedereichholz, 1997a; p. 1; tr. GCW).

> "Management consulting is an independent professional advisory service assisting managers and organisations in achieving organisational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes" (Kubr, 1996; p. 8).

Whilst both definitions agree in emphasising professionalism, it remains largely unclear where the borderline is drawn between help and service in respect of the client.

We therefore propose the following provisional definition of *organizational consultation*:

A system of interaction between, on the one hand, one or more advice providers and, on the other hand, members of an organization that is seeking advice. It is a system which concentrates on problems of decision-making and assigns responsibility for making decisions to the members of the advice-seeking organization. The advice provider holds a professional qualification in consultation. The advice provider may be a person or one or more members of an organization.

3. Theory, Knowledge-Constitutive Interest and Theoretical Diversity

3.1. Theory and Knowledge-Constitutive Interest

Theories in the sense understood here are the means of scientific knowledge acquisition. They are demarcated from everyday theories, which serve knowledge acquisition in everyday life. (Scientific) theory formation differs from theory formation in everyday life in its greater proportion of systematic procedure and in its intersubjective verifiability and criticizability. We propose, therefore, provisionally to define a (scientific) theory as a system of non-self-contradictory propositions, which serves scientific knowledge acquisition (for an introduction cf. Poser, 2001).

Social science theories, as is well known, are founded on differing knowledge-constitutive interests in the technical control of the world around us, in understanding others, and in freeing ourselves from structures of domination: a "technical", a "practical", and an "emancipatory" interest (Habermas, 1986). This implies differing theoretical positions, which go hand in hand with differing theoretical concepts and methodologies. We can distinguish three ideal-typical positions:

The practical interest: The primary goal is the description of the essence of social phenomena. Theories represent systems of logical propositions (especially definitions) and prescriptive propositions (value judgements and/or normative propositions). Value judgements are founded on ontologically and anthropologically based values. "

The technical interest: The primary goal is to find the nomological relations that underlie social phenomena. Theories represent systems of logical propositions (especially definitions) and empirical propositions (descriptive and hypothetical propositions).

The emancipatory interest: the primary goal is the formulation of social criticism. Theories represent systems of logical propositions (especially definitions) and prescriptive propositions (value judgements and/or normative propositions). Value judgements are founded on historically based values, especially the value of the emancipation of the individual.

Traditional representations of these ideal-typical positions link the hermeneutical theory of science, as far as its main features are concerned, with the practical, the analytical theory of science with the technical and the dialectical theory of science

with the emancipatory interest. Recently it has become necessary to question this linkage. All theories of rational action exist in a normative and a positive (empirical-analytical) variant and all are based throughout on the analytical theory of science.

3.2. Theoretical Diversity and Theory Selection

What does all this mean for a social science theory of organizational consultation? Like theories of general sociology and sociological organization theories, the social science theory of organizational consultation is not a single closed theory. There are different knowledge-constitutive interests, which are linked to different concepts of organizational consultation, different key propositions and different ideas of which research methods should be applied. Rather than one theory there are a number of different theoretical approaches.

Neither in the German nor in the English speaking literature has there yet been a systematic account of the theory of organizational consultation. This book is thus entering uncharted territory. The abundance of theories of general sociology and of sociological organization that can make a contribution to a social science theory of organizational consultation compels us to make choices. We have applied the following criteria for our selection:

The most important of the approaches, which have already been applied in widely scattered publications in the literature of organizational consultation, ought to be investigated in a systematising and comparative manner.

Attention needs to be drawn to the broad spectrum of different knowledge-constitutive interests, together with the different views on organizational consultation associated with them, and the methods that should be applied in research into organizational consultation.

There should be a preference for approaches that in the present state of research promise interesting findings regarding the shaping of the practice of organizational consultation.

Theoretical approaches from general sociology and theories of sociological organization that have not yet made any significant contributions to the subject of organizational consultation, and which are therefore not discussed in the main part of this textbook, are dealt with in chapter 13.1.

3.3. Theoretical Diversity and the Need for a Metaperspective

No coherent theory of organizational consultation can be derived from the systematising and comparative exposition of different theoretical approaches. The different theoretical approaches are incommensurable (Kuhn, 1962). The advocates of rival theoretical approaches often disagree about the list of problems that a theoretical

approach has to solve. Their norms or definitions of the science diverge. Definitions of fundamental concepts do not agree, so if one theory is unable to formulate and solve a problem, it is unlikely that another theory would be able to formulate and solve it in a coherent way, as its logic and language would be inappropriate for the task. Consequently, this book cannot conclude with a coherent theory of organizational consultation. At the end of the book, therefore, theoretical diversity remains. However, the theories will not be listed without comment. Incommensurability does not imply a lack of comparability. We shall consider what the theoretical approaches yield with regard to aspects that seem important to theoreticians and practitioners of organizational consultation. Such factors can only be taken into consideration on the basis of a metaperspective that is not tied to *one* theoretical approach. This will serve as a frame of reference for "organizational consultation as a whole". The following metaperspectives will underlie the subsections *Assessment and Critique* and *Questions for Consultants* and *Questions for Clients.*

3.3.1. Metaperspectives for Comparing Theories

In the subsections *Assessment and Critique*, we do not derive critical arguments and questions concerning each theoretical approach from a comparison with other theoretical approaches, on the principle of what one lacks the other must have. To do so could give rise to the misapprehension that all theoretical approaches taken together would produce a single whole. This, to repeat, is not the case. Rather, critical arguments and questions are derived from a metaperspective.

This metaperspective is constructed from a compilation and systematization of the key debates that have accompanied the research on organizational consultation. Whether or not these debates actually took place is neither here nor there. What is decisive is that the development of the various theoretical approaches can be retrospectively reconstructed as if these debates *had* taken place. Such debates can only be reconstructed with hindsight. They presuppose a knowledge of the key propositions of the different theoretical approaches to organizational consultation. This is why metaperspectives for comparing theories will not be further discussed until the final chapter.

3.3.2. The Metaperspective for the Preparation of Reflective Questions for Practitioners

In the subsections *Questions for Consultants* and *Questions for Clients* I shall, as far as possible, adopt a theory-immanent, rather than a theoretically critical, perspective. I am concerned to derive questions from each theoretical approach and in so doing to preserve the unique perspective of each of these approaches. If at all possible, I