Hiring consultants during organizational change: Politics and amalgamation

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ABSTRACT

Amalgamated organizations face the difficult task of merging differing organizational structures in order to form a new organization. Some organizations seek the assistance of consultants for this process. One of the greatest challenges the new organization confronts in restructuring is political conflict formed along old organizational lines. Through a case, this paper highlights the risk of hiring consultants during organizational change. Recommendations are provided for discouraging consultants from capitalizing on organizational weaknesses during mergers.

Introduction

In the current environment of cost reduction and organizational change, many organizations are seeking long-term survival through mergers. Recent examples include: Daimler Benz and Chrysler Corporation, Tribune Company and Time Mirror Company, Time Warner Inc. and EMI Group PLC, or Abitibi-Consolidated Inc. and Donohue Inc. Such mergers may bring together organizations with mutual distrusts or deep-rooted animosities. Part of merging organizations involves evaluating the existing processes and considering the preferred process for the newly formed organization. In some mergers this step can rekindle old and deeply ingrained political game playing and resentment along pre-merger lines. Consultants, hired to assist in merging organizations, can quickly become a lightning rod for politically based organizational differences by unintentionally disturbing an organization's established political equilibrium (Block, 1981:123). Consultants should not act as corporate referees. "If two competing factions are fighting over strategy, you're asking for trouble by hiring a consultant to throw up a jump ball" (Lieber, 1996). Given that seventy per cent of all change initiatives fail (Beer and Nohria, 2000: 133), it is possible that consultants, hired under such conditions, may not provide valuable input into the merging process because management is disorganized through change and focused on politics rather than process and problem solving.

Organizations hire consultants during organizational change to provide expertise and guidance. However, advice on hiring and utilizing the services of consultants primarily focuses on the effective way to interact and communicate with consultants (Schiller, 1998; Terrell, 1998; Waite, 1998; Murdock, 1997; Kelly, 1993). Research on consultants tends to overlook the impact of the political environment on consultants and how to protect the client from their own weaknesses. According to Harrison (2000:179), this is because most behavioral science approaches fail to take into account the forces of power, competitiveness and coercion. Newly amalgamated organizations are often fraught with such forces, which lead to ineffective client participation and guidance when dealing with consultants.

A professional consultant is an individual or firm with special knowledge, skills, and talent who makes needed expertise available to a client for a fee, rendering advice and often helping to successfully implement that advice, with, and for the client (Shenson, 1990:1). Consultants are hired for a number of reasons including: shortage of expertise, shortage of staff, shortage of time, need for an objective or outside point of view, or to ensure credibility (McGonagle, 1981: 4; Kelly, 1993: 1). In addition, they are hired to train clients, help to implement difficult or unpopular decisions, take responsibility for decisions (Schein, 1987:20) and sometimes as a scapegoat in the event of poor decision making (Francis, 1999; Schiller, 1998). In the case examined in this paper, a consulting company was hired due to shortage of staff and the need for credibility and expertise.

This paper evaluates the efforts undertaken by a recently formed township to define a new waste management system. In particular, the hiring and evaluation of the work of a consulting company shortly after amalgamation is examined. To begin, a theoretical discussion will be provided considering client and consultant weaknesses within the consulting process. Secondly, a brief case history will be presented. Thirdly, the methodology used for this research will be described. Fourthly, five deficiencies of the consultants' work within the case will be outlined and the consultants' response to identified errors will be described. Next, a discussion of political influences and recommendations for dealing with consultants in a politically charged environment will be provided. Finally, further research will be outlined followed by a conclusion.

Theoretical Discussion: Client and Consultant Weaknesses

"Nowadays, companies everywhere are going through contortions that their predecessors could scarcely have imagined. The attrition rate of companies is spectacular – only about a third of America's 500 leading companies from 1970 still exist today" (Micklethwait & Wooldridge, 1996). In this era of unprecedented complexity and competition, corporate use of consultants has increased exponentially (Shapiro et al., 1993: 89; Gibson, 1998; Waite, 1998). However, given corporate experiences with external consultants many managers wonder if the time and expense involved in using such advisors ever pays off (Shapiro et al., 1993: 89; Venardos & Fung, 1998; Schiller, 1998). In their book, Dangerous Company, O'Shea and Madigan (1997) provide case examples of problematic large-scale external consulting projects. Blame for these failures must be shared by both the consultants and the client. According to Ford (1985: 9), the answer to why external consultants fail lies in a "combination of mutual culpability" between both the consultants and the client. In response to problems with external consultants the use of internal consultants, used extensively in the 1970s, is gaining in popularity (Johri et al., 1998).

Client complaints about the work of consultants include: discounting the price to get in the door (anonymous, 1996), shaping demand for their services (Fincham, 1999),rubberstamping management decisions (Shapiro et al., 1993) and having senior consultants give the pitch to win the contract then having junior staff complete the work (Bushko & Raymnor, 1999; anonymous, 1996; Shapiro et al., 1993). During consultation clients have objected to consultants' cultural insensitivity (Gibson, 1998), poor communication skills (Alexander & Rivett, 1998), recommendations that make themselves indispensable (Shapiro et al., 1993; anonymous, 1996), failure to understand the client's needs (Sartain, 1998), providing popular generic solutions

(Shapiro et al., 1993; Waite, 1998;), and increasing the breadth or scope of the consulting assignment also referred to as “scope creep”(Shapiro et al., 1993; Bushko & Raymnor, 1999; Ryan, 1999). Further complaints include failing to deliver what was promised (Bergholz, 1999), failure to deliver results (Sartain, 1998; Schiller, 1998), or providing recommendations that are too complex to execute (Shapiro et al., 1993).

Clients also exhibit weaknesses when dealing with consultants including: hiring consultants because management does not have confidence in employees to complete the work (anonymous, 1996), not providing consultants with adequate information to complete the job (Chang et al., 1998) and poor communication skills (Alexander & Rivett, 1998). Further client shortcomings appear to be linked to problem comprehension and confidence in running the company. These include: inadequacy in the client’s understanding of the company’s problems (Starbuck, 1992), outsourcing thinking (anonymous, 1996), companies becoming consultant junkies (O’Shea and Madigan, 1997; anonymous, 1996), avoiding responsibility for the problem (Dupre, 1999), avoiding ownership for the consulting project (Murdock, 1997), feeling powerless when dealing with problems and consultants (Dupre, 1999), and need by management to defend the work of the consultants after hiring them rather than let their success be based on merit (Argyris, 2000).

In examining the research in this area it is clear that most failures in consulting projects are the result of weaknesses by both parties in terms of expectations and participation. According to Beer and Nohria (2000:141), consultants need to be used as an expert resource to empower employees. They can provide specialized knowledge and technical skills that the company does not have, particularly in the early stages of organizational change. Management’s task is determining how to use such resources without abdicating leadership of the change effort or getting lost in too many change initiatives or initiatives that are too complex to implement or communicate. Establishing a working relationship between the client and consultant, that stresses process as well as outcome, is essential to insuring such client empowerment.

A good working relationship between a client and consultant rests on four building blocks: communication, commitment, reliability and respect (Salacuse, 2000). Communication should be two-way and cumulative. Each party should be kept informed of the other’s activities and expectations (Shenson, 1990). Information must be shared and compared to be sure there is no duplication or misunderstanding (Light, 1998). In terms of commitment, the advisor’s and client’s objectives and interests should be consistent (Salacuse, 2000: 68). As discussed above, one of the leading causes of consulting failures is differing agendas held by the client and consultants. For example, clients may be hiring consultants to avoid responsibility for an organizational problem or to hire a scapegoat for pending problems while consultants may be making recommendations that make themselves indispensable rather than helping the organization solve a problem and move on. Such hidden agendas distract the parties from the central problem solving objectives. A third essential factor in an effective relationship is reliability. Reliability includes predictability, honesty and keeping promises (O’Shea & Madigan, 1997). For the client, reliability also includes setting realistic deadlines (Salacuse, 2000, Bell & Nadler, 1985, Benveniste, 1977). Finally, respect by the consultant of the client is required. The client is a crucial source of information. Consultants must be careful to tap this resource to its fullest and aid in the flow of information within the organization (Schein, 1987).

Too often, the way consultants show their superior knowledge is by belittling the knowledge of their client, closing the lines of communication between the parties (Block, 1981; Gibson, 1998; Salacuse, 2000). In response, the client must recognize the need to provide all relevant data as ease of capturing the data influences the design of performance measures and the ability to identify problems (Chang & Ibbs, 1998). Attention to process (communication, commitment, reliability and respect) as well as outcome, for both the client and the consultants, ensures that the two parties do not become sidetracked by interpersonal problems, taking time and energy from the central problem-solving task.

History: Waste Management in Sandhill Township

In 1997 the provincial government of Ontario, Canada legislated extensive municipal amalgamations in the province as a cost-saving initiative. Municipalities, townships, villages and cities were encouraged to form their own amalgamated communities or face imposed amalgamations. By 1999 the municipal jurisdictions in Ontario had dropped from 815 to 519 as a result of amalgamation (Leckie, 1997; Tuns, 1999). The expected cost savings were $300 million or more (Leckie, 1997). The townships of Hiltonsill, Fenell, Campbellville and Mapleridge, with the addition of the Village of Rondeau, decided to merge to form Sandhill Township (Sandhill). Names in this article have been changed to maintain confidentiality. These communities turned to each other rather than be absorbed by larger neighboring communities. Shortly thereafter, Sandhill set about forming committees to represent the key services offered in the township. These committees were given the responsibility of evaluating current services across the former communities and developing a new program that incorporated the needs, financial constraints and geographic limitations of the new township. The committee evaluated in this paper is the Sandhill Waste Management Committee (SWMC) formed to identify and facilitate a waste management system for the new township.

In forming the SWMC, the township included council members and public volunteers from each former jurisdiction. In early 1998 the SWMC met for the first time. Overwhelmed with the task and short of time and expertise, the members decided to hire a consulting company to assist in the process. A request for proposals was designed and ads placed in the local newspapers to attract prospective companies. Four companies responded from which three were invited to present their ideas. Of the three companies considered, the most notable differences between the three were cost and experience. The company tenders included a high of $40,000, a low of $12,000 and a group in the middle at $25,000. While the company at $25,000 seemed most qualified and experienced, cost drove the committee decision. The contract was granted to Allied Environmental Consulting, Inc. at $12,000.

The consultants worked through the spring, pulling together a draft report that was submitted to the committee in June 1999. The draft report seemed deficient in a number of areas. Not only was it full of grammatical errors but it also provided limited numerical calculations, incomplete expense summaries of the former townships and village and no numerical rationale for their recommended alternative. The consultants took note of the committee's concerns and mentioned that at the price they were charging, the grammatical errors would not be corrected until the final report. The final report, which was finished in September 1999, included inaccurate calculations, assumptions and facts.

Methodology

The case data was collected through the examination of documents produced by the consultants, the township and township waste contractors. Additional data was gathered by attending SWMC meetings from April 1998 to April 1999 and examining historical committee minutes as well as through interviews with committee members and community representatives. The data was used to evaluate the change process undertaken in the new township comparing committee member expectations with outcome.

Deficiencies in the Consultants' Work

While the final report was delivered on time with specific recommendations, closer examination of the report revealed fundamental errors in five areas: waste generation numbers, goal clarity, historical financial summaries, selection of alternatives and cost estimates. The following describes the errors found in the consultants' final work and how the consultants reacted to being informed about these errors.

1. Waste Generation Numbers

The first problem with the report was the data calculations on waste generation. The projected 25-year waste production numbers, used to calculate the costs of waste system alternatives, were arbitrary and inaccurate. The consultants selected to estimate waste generation since historical data, held in each community, was in storage while a new municipal office was being built. In the calculation each community was broken down into permanent and seasonal categories to represent the full-time and vacationing residents. The first mistake was the assumption that seasonal people only divert 10 per cent of their waste to recycling while the permanent residents divert 25 per cent. The rational given for this difference was "discussion with transfer station operators and summer staff" (Allied Environmental Consulting, Inc., 1999b: 11) that represented only anecdotal sources. Earlier waste composition studies, done in one of the former townships, found that seasonal residents recycle more than permanent residents (Hodgins, 1997). Even though the consultants had been given a copy of this study they chose not to draw from its findings.

A second concern with the spreadsheet was errors found in the calculations (Basil & Melium, 1999a: 1). Mathematical errors and unfounded assumptions resulted in a substantial overstatement of waste generation figures for the community. The amount of current waste generation calculated by the consultants in the spreadsheet was 2,920 tonnes/year for the community. One committee member, who was dissatisfied with the work of the consultants, phoned the community receiving Sandhill's waste requesting current monthly and yearly figures. This was a source of information the consultants had overlooked. The figures revealed that the community was only producing 1,468 tonnes per year of waste, half of what the consultants calculated and used to determine their preferred option of transfer sites.

2. Goal Clarity

A second major deficiency with the consultants' report was errors in defining the community goal for waste. At a meeting of the SWMC, the goal of the new waste management system was discussed. Initially the goal was defined as providing a "consistent" and "efficient" waste system for the community. One councilor, supported by a number of volunteer members objected to this goal, stating that the goal should be "efficient" but not necessarily "consistent." A number of sub-programs within the township might be preferable and more cost effective but would be ruled out if "consistent" was include in the decision criteria. Consistent meant the same service throughout the township. After some discussion, the goal was defined as simply an "efficient" system. Despite the consultants being at this meeting, the final report erroneously defined the SWMC goal as being a "consistent and efficient waste system" (Allied Environmental Consulting Inc., 1999b: 36). This oversight was convenient for the consultants as it simplified the alternatives they had to consider. In taking advantage of this simplicity the consultants narrowed the alternatives to three systems for all residents: incineration, transfer sites or door-to-door pick-up. Public-choice alternatives, where communities have different services that reflect the varied geography and preferred service of each community, were disregarded by the consultants because they were not providing consistency.

3. Historical Financial Summaries

The final report presented historical cost summaries that did not accurately represent former community waste costs. For example, one community had overhead costs included while others did not. The difference was $48,904, about one quarter of the community's waste budget. As the waste management system costs of this former township were notably higher than the other communities, this was a large oversight. Another example of an inconsistency was the inclusion of waste revenues in some townships, and their exclusion in others. This was of particular concern for communities applying user pay. The consultants argued that the left out revenues were not tracked so these revenue totals were not available. One committee member, upon seeing this error in the draft report, phoned the township and asked them to track the revenues over a six-week period from which numbers were extrapolated. However, these revenues, totaling about $15,000, did not appear in the final report.

4. Selection of Alternatives

The thorough lack of research was evident in the alternatives offered in the final report. One former community in Sandhill had, prior to amalgamation, adopted door-to-door pick-up with a combined program of user pay. Each household received one free bag per week of garbage but had to pay $2 for each additional bag. The consultants decided that door-to-door pick-up should be compared without the impact of user pay to the transfer site option because the transfer sites could implement user pay for no additional cost. This assumption was problematic for two reasons. First, it missed the critical connection between user pay and pick-up in a rural community. User pay had been introduced with pick-up to reduce the quantity of waste, cost of transporting waste going to landfill as well as the tipping costs. It was the combination of door-to-door pick-up and user pay that made the program financially viable. Second, the consultants claimed the cost of a user pay program would be negligible to implement at the transfer sites despite having no research or examples to back this claim (Allied Environmental Consulting Inc., 1999c: 5). Costs such as extensive fencing to avoid illegal dumping and extra staff to ensure those with more than one bag paid for the extra waste were not considered. As it was, the staff at the transfer sites did not have enough time to process each car that arrived at the transfer site, therefore additional staffing costs would be inevitable if user pay was introduced at the transfer site.

5. Costs Estimate

Another factor that made the comparison of alternatives confusing was the underestimation of the costs associated with the consultants' preferred option of transfer sites for the whole township. The consultants used numbers that did not fully reflect the cost of labor and the required hours. The additional costs were approximately $25,000, half the difference in cost between the top two alternatives, transfer sites and pickup.

Consultants' Response to Identification of Errors

When these five errors (waste generation numbers, goal clarity, historical financial summaries, selection of alternatives and cost estimates) were brought to the attention of the consultants in writing by two volunteer members of the committee, the consultants responded with a 14-page rebuttal attacking the written concerns of these committee members and defending their own work. They also argued that they had not been provided with vital information until after they had submitted their final report:

"This type of information is what Allied has requested from the outset of the study. Regrettably, the information has been provided at the conclusion of the project, but will serve a useful purpose in future endeavors" (Allied Environmental Consulting Inc., 1999c: 2)

The information the consultants are referring to was that provided by the two volunteer members of the committee. The committee members phoned the necessary contacts in order to gather the information. This should have been the job of the consultants, not the volunteers. The reason for hiring the consultants was because the committee did not have time to gather the required information. The only reason the two volunteer members did this work was because of the substandard and unsubstantiated work evident in the draft report. The consultants had been contacted by the committee members in an effort to outline the report's weaknesses, before the final report, but the consultants did not display an interest in the concerns mentioned by the committee members. Despite incomplete and inaccurate numbers, the consultants completed their work stating that:

> "From a financial perspective, Allied's conclusion regarding waste collection remains unchanged… The transfer station option is significantly less expensive than the current curbside collection option. The increased diversion and reduced disposal tonnages are not sufficient to offset the increased collection costs." (Allied Environmental Consulting Inc., 1999c: 10)

The committee was asked by the consultants to disregard the waste generation numbers in the final report as they were wrong. A new summary of the report's conclusions, without adequate supporting financial calculations, was drafted and distributed.

Political Influence

Despite this less than satisfactory work experience with Allied Environmental Consulting Inc. the township council and SWMC selected to rehire the same consultants for an additional $10,000. The second contract included completing what the consultants had started but had not finished in the first contract (presenting fully evaluated alternatives) and examining an additional option of the township funding their own garbage pick-up program. Given the evident lack of competence in the research and analysis presented by the consultants in the first report, it is surprising the consultants were rehired. The reason behind the rehiring of the consultants seemed to be that a majority of the decision makers in the Sandhill council and SWMC liked the conclusion reached by the consultants regardless of the lack of accurate and supporting numerical data or concrete fact gathering and analysis provided to support the conclusion. A second reason may have been an effort by the councilors to save face. The message in rehiring the same consultants is that the councilors were satisfied with the initial work of the consultants. Hiring different consultants could indicate dissatisfaction with Allied Environmental Consulting Inc., and poor decision making by council in hiring these consultants.

In a newly merged organization, politics is ubiquitous. Changes in the organization may mean changes in the power structures among the employees and decision makers. During this initial phase of change the organizational players are looking to re-establish the pecking order lost in the amalgamation. Committees such as the SWMC, that make decisions affecting power structures, may become mediums for political posturing by councilors and volunteer committee members.

The greatest obstacle in the hiring and effective use of the consultants for the township was the political atmosphere in which the recommendations were made. Two subgroups had formed in the SWMC fighting to support different waste system alternatives (pick-up versus transfer sites). As is seen in this case, hiring consultants to referee between two competing factions during a change initiative may be problematic but unavoidable (Lieber, 1996). The political infighting took away from the evaluation of process and analysis and seemed to create a fixation on the overall recommendation of the consultants, not their work. Because of the political differences, the client did not provide clear direction or communicate effectively with the consultants. The message was mixed, reflecting a divided decision-making group. The political game playing in council and the SWMC permitted inexperienced or possibly incompetent consultants to be supported and to gain experience useful for obtaining further consulting contracts.

Given that some level of politics during organizational change is unavoidable, organizations need to consider how to interact with consultants during change to ensure a meaningful process. To limit the influence of a political host environment during organizational change, seven steps are recommended to improve communication and results.

Recommendations for Dealing with Consultants

Given the consultants provided incomplete and inaccurate work, it is easy to blame the consultants for the problems and ignore the actions of the client. The SWMC made a number of errors in hiring and interacting with the consultants that contributed to the mediocre work provided by the consultants. The following are seven recommendations to enhance a client's interaction with hired consultants, reduce opportunities for political influence, and improve the quality of consulting advice provided:

1. Clear Goal

Before hiring consultants, the organization needs to establish consensus in defining the organizational problem and goal (Lieber, 1996). Once the goal is defined, it must be widely disseminated throughout the organization and given to prospective consultants in writing in the request for proposal. The goal should go beyond defining a need for change. It should state the objective(s) of the change. This preliminary step avoids political maneuvering of project objectives later in the process and provides a common point of departure for all stakeholders.

2. Client Readiness for Change

Implementing change requires readiness for change. Indicators of readiness for change include sensitivity to pressures for change, dissatisfaction with the status quo, availability of resources to support change, and commitment of significant management time (Cummings & Worley, 1993). Members of the SWMC were not dissatisfied enough with the current system and therefore were not seeking change. Each community has a satisfactory system. Small modifications could have been made within each former community to improve their waste system but the communities did not want to see major changes. The council said that the budget that they had to work with was $15,000 higher than what was currently being spent on waste. Therefore, there was neither the desire nor the financial necessity to change.

Another factor essential in developing change is the commitment of management time to assist in making the needed changes. If those making decisions are not willing to commit the necessary time, then changes risk being poorly planned, resulting in limited support by management. For example, with all the changes occurring in Sandhill Township due to amalgamation, council had little time to commit to waste issues or designing a new waste system. Commitment by management was minimal. This also meant the consultants took on more of a leadership role than an advisory role giving their recommendations greater influence in the long run and setting them up as scapegoats if the project failed. In addition, the outcome may become more important than the process since the client is less informed in the problem solving and more focused on the end results.

3. Organizational Contacts

At least one key contact within the host organization is necessary for the consultants to complete meaningful work (Ontario, Management Board of Cabinet, 1985:2). This contact must have the responsibility, expertise and time to provide relevant and timely information for the consultants. The contact should be knowledgeable and as neutral as possible. It is also essential that the consultants be given access to any other relevant contacts within the organization. The consultants in the SWMC case had a staff contact but the contact was busy and new to the job. The responsibility does not end with the client providing a contact. The contact has to be proactive, not reactive. The responsibilities of this contact begin with communicating what is to be done in a clear, concise manner and monitoring the consultants' work to ensure completion. Finally, the contact should make it clear to the consultants where information is lacking in the client data, requiring more in-depth evaluation by the consultants (Ontario, Ministry of Municipal Affairs, 1986:34). The more information sharing that goes on at this stage, the less political influence there will be in the final decision making. For this reason considerable attention has to be given at the outset to establish valid information for the consultants. The organizational contact is responsible for facilitating this flow of information for all the stakeholders.

The problem with the SWMC contact was that he left it up to the consultants to ask the questions. The consultants were unfamiliar with the system and the events that had happened in the township before amalgamation and did not know the questions to ask the contact. As well, the central contact should have linked the consultants with other key organizational contacts such as the treasurer of the township. In the Sandhill case the consultants, over the 10 months they had been working for the township, did not once call the treasurer of the township to verify financial data. The treasurer expressed concern with this lack of attention to detail. This is not to suggest that the client is responsible for the poor work of the consultants but rather that they are responsible for guiding the work and ensuring the sharing of information.

A second source of data and guidance for the consultants can be a committee designed to oversee the consulting project. This committee should include people who are familiar with the project and the history of the project. Like the key organizational staff member, the central responsibility of this committee would be to ensure that the consultants have as much information as possible to complete their work. It is also the responsibility of consultants to utilize this source and provide evidence of time sharing information with the committee in the progress report and final report. These meetings should be held without the attendance of political or managerial representatives to ensure a free flow of information.

4. Regular Progress Reports

Essential to ensuring the consultants manage their time efficiently and effectively is the continuous feedback from the consultants in writing to the client. Progress reports would permit the client to identify errors early in the analysis limiting major errors at the final report stage (such as the waste generation numbers in the Sandhill case). Once the consultants are working on the assigned project, the client should request frequent updates (Lieber, 1996). Such feedback should be made available to all relevant stakeholders so that all subgroups can comment and contribute along the decision-making path. In this case, the SWMC only received one progress report, the draft report, which provided very little data. The lack of data indicated the limited work completed to that point. The draft report was submitted in June 1999 and no meaningful communication between the consultants and the committee occurred until the final report was made available in September 1999.

The contact staff and committee should also be required to submit regular progress reports documenting their work and information provided. In the case presented, commitment by the consultants to use the committee as a source of information for the report was stated but not acted upon. The consultants' claim that information was not provided until the end of the project suggests a need for more communication and feedback during the consultation process. Documented feedback from multiple sources to the consultants during all stages of the consultation process encourages an open and accountable flow of information. It also helps avoid politically strong subgroups within the client organization exerting influence over alternatives by controlling or limiting information being passed to the consultants.

5. Prevent Consultants Planting Roots

What is most remarkable about this case is that despite the poor and incomplete work of the consultants, the township rehired the same consultants for an additional $10,000 shortly after the final report was presented. The consultants had managed to win the continued support of the township decision makers, by presenting a recommendation that a significant number of Sandhill council members and the SWMC supported. The development of this support began at the draft report stage. Despite having very limited analysis to back their conclusions, the consultants recommended in their draft report that the township adopt transfer sites for the entire waste system. The essential numbers to support their recommendation were gathered thereafter and added to the final report. By presenting this draft report to the SWMC and measuring the response, the consultants were able to establish a winning recommendation without investing significant time in evaluating alternatives. It also encouraged future contracts as the consultants were evidently willing to back a politically supported recommendation. In order to encourage independent analysis by consultants, draft reports that establish alternatives must be substantiated by defensible analysis or they should not be presented to the client.

Planting roots in an organization is a long-term goal of consultants (Anonymous, 1996). It is interesting to note that when these consultants finished, they cost the township almost as much ($22,000 versus $25,000) as the more experienced and preferable consultants that were not hired. The consultants also developed spin off work in testing an existing landfill in the township and making recommendations for the site at an additional cost of $25,000 for a total of $47,000. These consultants found a way to make themselves indispensable. To avoid unnecessary expansion of consultant work, organizations should require all additional work developed out of a project to be tendered. This means that the consultants have to continually compete for the work they are establishing. This also forces the organization to re-examine alternatives to hiring consultants.

6. Analysis not Decision Making

One way to avoid the consultants and client from being fixated on the recommendations section of the consultants' report is to not have the consultants provide recommendations. The consultants should set out alternatives but avoid recommending one of the alternatives. To de-politicize the alternatives, all subgroups should be encouraged to recommend alternatives that would be initially evaluated by the consultants along with any alternatives they might recommend. In the Sandhill case, the consultants were hired to gather the data due to a shortage of staff and the need for credibility and expertise. The committee was fully capable of drawing conclusions from the analysis themselves. In the consultant-as-decision-maker approach, those who like the recommendations of the consultants have no motivation to evaluate or question the work of the consultants (Francis, 1999). This alternative approach forces all members making a decision to consider more closely the analysis in order to back their recommendation as decision maker. More equality between the client and the consultants is created this way because the consultants are not given the ultimate power of decision maker. As well, leaving out the recommendations places more responsibility on the decision makers to be sure the decision is defensible to stakeholders. It also limits the use of the consultants as a scapegoat if the decision is wrong because the client has participated in the decision making process.

7. Holding Consultants and Decision Makers Accountable

A final recommendation for dealing with consultants is to hold them accountable for the work they say they will complete. Once the consultants' report is complete, the committee must return to the agreement and consider whether the consultants have actually done the work they agreed to. This step is critical to avoid accusations of political influence at the close of a consultation project. If, despite a clear mandate at the start of a project, the consultants' work is not reviewed at the close of a project, the ability to claim objectivity and transparency in the project is lost. The consultants may have followed guidance from one subgroup and ignored the project objective or process stated in the contract. Not revisiting the contract opens the client up to criticism of political maneuvering.

A critical mistake the township of Sandhill made in dealing with the consultants was not holding the consultants accountable for their work. Despite providing a very flimsy final report, the SWMC approved further work and money for these consultants. In this case it seems the politics of the decision become more important than the work ethic of the consultants. The township did not take ownership of the consulting project (Murdock, 1997). The SWMC preferred to place the consultants in the position of "expert," not challenging their lack of concrete analysis. To avoid the bias of political preferences, the client should stipulate prior to the selection of consultants and in the consultants' agreement, the action that will be taken by the client for inaccurate or incomplete work. The client must then follow through with this section of the contract. In the SWMC there was a clause for incomplete work but it was ignored. This may have happened because central decision makers, within council and the SWMC, were pleased with the consultants' recommendations and did not want to draw attention to the credibility of the consultants' work as it might jeopardize support for their recommendations. Critical to holding the consultants accountable is holding those hiring and interacting with the consultants also accountable. The SWMC and council should have established expectations for their own work and the final report. These expectations should have been revisited during and after the consultants delivered their report.

Further Research

This research suggests a number of areas where further investigation might be warranted to enhance our understanding of the consulting process. The political influence of subgroups within the client membership could be further evaluated. For example, client subgroups could be interviewed to determine their level of satisfaction with the consultants and their perceived extent of political influencing. There may be a relationship between political pull and satisfaction with the consulting work. It would be valuable to extend this inquiry to determine if the findings of this research, regarding political influence, have external validity in other empirical settings where organizations face large structural changes such as corporate downsizing or mergers. As well, it would be interesting to examine how downsizing or organizational expansion influences the expenditures on, and success of, consulting projects in an organization. The percentage of an operational budget spent on consultants could also be measured against the level of stakeholder and/or stockholder satisfaction with an organization to see if greater expenditures on consultants are found during times of organizational growth or decline.

Another area of interest for further research would be examining how consultants build a resume of experience that they use to attract further clients. Do consultants learn more about directing or assisting in organizational change through successful projects or unsuccessful projects? How do consultants measure and document unsuccessful projects? It would also be interesting to examine when government organizations, facing amalgamation, resort to hiring consultants and under what type of arrangements. Is it more advisory in nature or do government organizations tend to relinquish leadership to the consultants during large organizational change initiatives? It would also be helpful to examine what activities are linked with an advisory role versus a leadership role.

Conclusion

This paper examined a case of a consultant-client relationship and examined how the client's hands-off approach and preoccupation with internal politics contributed to the poor quality of the consultants’ work. To ensure quality work from consultants, clients must recognize their responsibility and time commitment to the process of restructuring, particularly during large-scale organizational change. Time must be allocated to sharing information with the consultants and monitoring the consultants’ work.

Mergers or amalgamations may encourage cost cutting that leads to hiring less experienced consultants. Managers must recognize their own weaknesses (lack of expertise, political makeup and time constraints) and build corrective mechanisms into a change process to overcome these weaknesses and to guard against inexperienced consultants taking advantage of an organization in flux. As well, in an effort to promote meaningful interactions with consultants and productive analysis, management should focus on the consulting process as much as the project outcome.

Finally, large organizational change can include the reducing or replacing of experienced and knowledgeable staff. As a result of such staffing changes, the management may be dependent on external expertise to evaluate organizational restructuring alternatives. Management must therefore consider, in advance of organizational change, the long-term costs of removing knowledgeable staff versus that of hiring and monitoring external experts.

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