Chapter 4

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ABSTRACT
Introducing changes and innovations related to people management processes in organizations is always a challenge. Mainly because any change impacts, directly or indirectly, on people’s work lives, either on their jobs, the assessment of those jobs, their training and development expectations in the organization – and outside the organization – and their compensations, to name a few. In some cases, companies seek for professional services from external consulting firms to carry out these change processes. The need to have the point of view from outside the organization adds value. This chapter aims at presenting and characterizing an external consulting methodology in people management, with a participative approach, and at assessing its contributions, scopes and challenges, based on two application cases. Conclusions are presented as lessons learned from the participative approach for external consulting firms, and the main challenges to face in order to advance on this work methodology.

INTRODUCTION
Introducing changes and innovations related to people management processes in organizations is always a challenge. Mainly because any change impacts, directly or indirectly, on people’s work lives, either on their jobs, the assessment of those jobs, their training and development expectations in the organization – and outside the organization – and their compensations, to name a few.

In some cases, companies seek for professional services from external consulting firms to carry out these change processes. The need to have the point of view from outside the organization adds value. Such value may come from the provision of knowledge, techniques, specific tools; it may originate in making negotiation processes available to reach agreements that make change possible, or in the input

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from professional profiles with specific competences needed to reach the goal (López Zapata et al., 2010; Whittington, 2006; Sheehan et al., 2002).

However, external consulting implies some risks for companies (De Souza et al., 2012; Sheehan et al., 2002), specially related to imposing or transferring standardized “recipes” or “packages”. These so called institutional isomorphism processes (Powell and DiMaggio, 1993) do not take into account the specific characteristics of each organization, and they may lead an improvement proposal to failure.

The process consulting (Argyris, 1970; Schein, 1969) is not a technical closed package the consultant provides the client. In this model, one of the fundamental contributions of the consultant will be to help the client to challenge and question their own reality to develop a proposal.

The consultant’s role can be defined as the facilitator of integration and dialogue in the organizational context, so that the effort expended will lead to a holistic understanding of the situation under study, facilitating knowing in practice (Newell, 2005).

This chapter aims at presenting and characterizing an external consulting methodology in people management, with a participative approach, and at assessing its contributions, scopes and challenges, based on two application cases.

Therefore, we propose to characterize this consulting approach, which we will call participative, as an improving choice for the perspective of consulting as a delegation of certain organizational functions to external professionals – also known as outsourcing of services. We propose to move on to a perspective of a joint construction of change processes between the organization and the consulting firm, analyzing the potential and the requirements that enable these processes.

Participative consulting is a work methodology aimed at jointly building change proposals among organizational referents, consultants, and change beneficiaries; these proposals must be more feasible, and they must allow reaching more effective results with regards to the organizational strategy (Somech, 2002).

The main benefits of this approach are: better starting point or initial situation assessment, a much deeper understanding of the need for changes, more creativity when it comes to defining action strategies, and better result assessment. Moreover, it strengthens reliability bonds that not only improve interpersonal relations, but fosters the motivation element in people.

Benefits are not only achieved through the mere application of this participative consulting approach; in order to ensure its effectiveness, it must also take into account some requirements that the organization and the consulting firm must guarantee: participation of all stakeholders involved (Cravero and Conrero, 2011), debate instances and agreement generation, top organizational support (Jang and Lee, 1998), shared information, and frequent review of achievements as well as a clear continuous result assessment.

Two case studies are presented to assess this methodology. Both describe change processes in people management carried out through an external consulting firm with a participative approach.

The methodological approach that we propose is that of the case study. The main goal of this type of studies is to try to thoroughly understand a specific case, not to understand how it differs from other cases, or to attempt generalizations, but to describe what it is, how it works and what it does (Stake, 1995). That is, the intrinsic value that it has for the interest that the case itself generates (Neiman and Quaranta, 2006); an interest that here means having used this participative external consulting approach in a change process for people management.

Selected organizations have similar sizes – medium -, one in the private sector, the other one in the public sector. The private company embarked on a strengthening of middle management process; in the public company, the change process focused on a people management model design.
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