

The Real Role of HRD Professionals

In many capacities, whether they are conscious to the fact, HRD professionals are consultants - internal consultants - who need to possess and develop a unique set of behavioural as well as technical skills.

HRD professionals often perform consulting roles within an organisation. The top human resources executive, for example, might work with management to develop a plan that will support a specific business strategy. Or the organisational development specialist might advise management on how to bring about change. And the compensation specialist might develop an incentive plan for a business unit head.

Although consultants cannot predict the future, they practice the art of providing expert professional advice. When a company engages outside counsel usually it's because a certain expertise does not exist within the organisation. In addition, the company may need an objective, unbiased point of view on an issue, such as entering a new market, reorganising, implementing more sophisticated technology or acquiring another company

In other cases the organisation knows precisely what it wants to do, and it uses the consultant as a means of getting it done, perhaps because the internal staff is overloaded with work. If dramatic change is planned, management might not want to compromise the internal staff, or it might believe the staff is incapable of performing the task. In such cases, management hires an outside consultant to act as a change agent. At other times, management's needs might be purely informational, such as market research or competitive data on pay levels.

The concept of internal consulting has become increasingly popular in recent years at the corporate and group levels. Such expertise covers all management disciplines, from information technology to strategic planning.

Often these consulting positions have been created in the wake of decentralisation. Management perceives a need that subsidiary groups need assistance and guidance. Usually the newly established, somewhat autonomous entities do not possess the requisite staff resources, although frequently the consulting roles are established because the corporate staff cannot service the line demand.

But what is the intended role of the internal consultant? Is he or she the staff expert in some specific technical area who provides an unbiased, objective opinion? Or is his or her main function 'to relieve the internal staff'. Should he or she be expected to serve as the change agent for the organisation? Is the position purely a data gathering and synthesising role? Or a combination of all roles?

Regardless of which applies, there is an inherent contradiction in the role of the internal consultant. Because he or she is on the payroll, a certain degree of objectivity and clearheaded thinking is lost. Similar to all other employees, the consultant must live and die by the policies, practices and politics of the organisation; his or her fate will ultimately be in the hands of top management. Consequently the real question is, "How can the internal consultant perform any or all of the above roles objectively as an employee of the company?"

Internal Consultants Must Fully Grasp the Firm's Corporate Culture.

The internal consultant never lacks challenge. Just as the external consultant needs to know his or her client, the internal advisor's first challenge is understanding the firm's environment, culture and personality. This level of comprehension, which could take a year or longer to frilly understand, is critical to his or her success within the organisation.

Joining a company that has no strategic direction, a confusing organisational structure or an unhealthy

internal competitive environment presents the consultant with a tremendous challenge. Such individuals must act either to change these phenomena or work around them. Ignoring their significance and the obstacles they present to the consultant's ultimate success renders him or her impotent.

The symptoms of these phenomena are often subtle. Consultants should look for a lack of communication, co-ordination and co-operation between business units or levels of management. The more serious the problem, the louder the warning should sound to the consultant.

The internal consultant will be inhibited from having any significant influence until a complete understanding of the organisation's dynamics has been obtained. Once the consultant has gained a sense of what is or is not acceptable within the firm, he or she will be nearly indispensable to the captive client base. An employee in this position can prevent untold time and energy from being wasted.

But along with the advantages of permanently hiring such an individual, the organisation and consultant might discover that he or she is running the risk of losing objectivity. Preventing such a loss is one reason external consultants often work in teams, and being aware of the problem can work to prevent the problem from occurring.

The next challenge for the consultant is to define his or her role. Does management truly want objectivity from the consultant? Do they want a technical expert who analyses situations factually and recommends the most workable solution, regardless of management politics or uncovered hidden agendas? Or is the consultant merely a front for management control?

Companies often create the internal consulting position believing they want an objective opinion. But then the consultant's priority list fills with top management's real agenda and that forces the consultant into the role of king's messenger.

There are many situations in which newly hired internal consultants sit around without any work to do because the clients - the subsidiaries or departments he or she was hired to serve continue to hire external consultants. Competency aside, the consultant doesn't have any clients because they don't believe he or she is going to be objective. The internal consultant is viewed as nothing more than a big brother.

Another example in which the internal consultant's potential is not fully used is when the organisation begins to decentralise, yet it establishes elaborate reporting requirements.

Because of that action, the subsidiaries become preoccupied with funnelling information to top management, while the corporate staff spends countless hours questioning the wisdom of subsidiary management actions (which is how the staff justifies its existence). Then the corporate staff is sent to help the subsidiaries, only to discover that the company never intended to decentralise in the first place.

In the above situation, regardless of his or her discipline, if the internal consultant is part of the corporate staff he will be used as a corporate management tool and little else. He inevitably will be imposing corporate policy on the subsidiaries.

However, if a group level is established between the parent and its subsidiaries, and company creates the internal consulting position, the consultant stands a better chance of performing objectively. In all probability, he or she will have the same problem of being asked to impose the holding company's agenda on its subsidiaries. This may not be inappropriate if the request is well thought out, represents a global strategy at the group level and is supportive of the objectives of the subsidiary companies.

Placement in Corporate Hierarchy Determines the Consultant's Credibility.

The wise candidate for a newly created internal consulting position will seek assurance from the company that he or she will be allowed to act unencumbered by management's hidden agenda. This assurance will be the acid test of management's sincerity for wanting objective consulting internally.

The place in which the consulting position is established in the organisation's hierarchy will exacerbate or mitigate the credibility problem. Reporting directly to the CEO gives consultants the much-envied access to the top decision maker, although they run the risk of having their advice diluted or filtered through several layers of management before it reaches the top. Such access may speed the implementation of their recommendations.

On the other hand, the consultant may be viewed with distrust if the position is believed to be that of the boss' spy. Of course, this depends on the amount of credibility and trust the CEO has built within the organisation.

Sometimes management moves to reduce expenses, and internal consulting positions are created to reduce

the costs associated with external counsel. If the staff consultant is not permitted as much freedom, objectivity and expertise as an outside consultant, the cost reduction effort is doomed to failure.

In such a scenario, potential clients view the internal consultant as a management tool and all credibility vanishes. Furthermore, the clients will still look to hire external counsel. At that time, only a decree emanating from the top that forbids hiring outside consultants will reduce such expenses. Yet, this situation also destroys the consultant's chances of being accepted as such.

Further complications evolve when the internal consultant is required to bill his users. Although this method can work, more often than not it fails. It's not long before the potential clients realise they could hire an outside consultant for the same cost. This conclusion is quickly reached, especially if the clients don't support the purported objectivity of the internal consultant.

Internal billing usually doesn't work because line management doesn't believe they should pay external consulting rates for what they perceive to be an internal staff service. And when cost becomes an issue, the thoroughness and quality of the consulting work invariably suffers, whether internal or external.

But there are instances in which internal billing does work, such as for the consulting group that provides a desperately needed resource at a cheaper rate than the client would pay in the marketplace. If the consultant provides a tangible product that has a hard, specific deliverable, internal billing is more readily accepted. A perfect example of this occurs when companies establish an internal computer timesharing service that provides the same variety and quality of applications that are found on the outside.

When the product is less tangible or its added value is less distinguishable, such as management development or a long-term strategic planning process, billing will be very unpopular to captive clients.

Consultants Must Temper Their Thinking with Practicality.

Effective consulting takes time. It's important that the client as well as the person receiving guidance is ready and willing for the change. The client must hear what the consultant is saying, but he or she also must comprehend what is being said. Therefore, unless it's a crisis situation that requires swift and decisive management action, the crawl-before-you-can-walk approach should be used.

As the consultants begin to understand the real problems and formulate their recommendations, their thinking should be tempered with practicality. The recommendations may be so drastic that they are unacceptable.

Implementation of radical recommendations, for example, may expose line management's failures to top management. Or line management may not understand the problem on an equal footing with the consultant. Or maybe the client's desires simply will not work.

In other cases, the consultant may disagree with the client. Good consultants explain why they disagree, but there is always the client who feels so strongly about an issue that there can be no compromise. In such cases, the consultant must exercise flexibility in order to get the job done, especially if the client's position does not undermine or grossly alter the desired result of the consulting project.

However, if the client is adamant about a position that threatens the desired outcome or the project, compromises the consultant or is illegal, the consultant must be prepared to stand firm.

Taking such a stand for the external consultant could mean the end of the project and perhaps, future business. Although this is a possibility for the internal consultant as well, because the internal consultant's client base is captive, future projects from other internal entities may not be forthcoming. The rumour mill could put him or her out of business.

How much should the consultant say about the client's desires? When an internal project is nearly ready for top management review, inevitably the consultant will be asked to make a technical evaluation of what the client wants to do. Ethics plays a key role here.

How honest should the consultant be with top management? Should the issues in which there is disagreement between consultant and client be revealed? If yes, what are the risks that the project recommendations will never be implemented?

The depth of the consultant's understanding of management, its style, the underlying issues and, most importantly, the politics of introducing which issues to management is critical at this juncture. This is a very awkward, although inevitable, situation for the internal consultant. Therefore, strong salesmanship skills are essential.

Consider situations in which management kills the recommendations based on what the consultant has said?

The probability of future internal projects might be greatly diminished, especially if the consultant's poor salesmanship is to blame. In addition, when it becomes known that the consultant aided and abetted in the demise of what the subsidiary wanted to implement, his or her credibility, and maybe his or her position, vanishes.

The consultant's role is additionally challenged when he or she has to sell a holding company as well as corporate management. As before, the consultant must build a consulting relationship with the subsidiary companies. From there, appropriate recommendations are developed and introduced to the holding company and, depending on the corporate hierarchy's structure, perhaps to corporate management. Now the consultant becomes a super salesman.

The true role of any consultant is that of change agent, and at the heart of that role is issue management. Because there is always a hidden agenda, internal consultants must have a keen sense of what lies behind the purported issues.

When the client's wants do not fit with management's agenda, the internal consultant is caught in the middle. Which side should he or she choose? Is it inevitable the consultant will lose, regardless of the side he or she supports?

The conflict's resolution determines the success or failure of the consulting process. Just because the process failed does not mean the consultant failed. Perhaps neither side was ready for the proposed change.

Such conflict is necessary, however, and it can be extremely constructive. For example, an opportunity for effective communication is created after such a conflict if the two opposing factions realise they lack good communication. If this occurs, the consultant should be recognised as a successful change agent.

Along the same line, internal consultants are usually better able to show both sides they are working from opposing agendas. This can be extremely helpful to each in future strategising. Effective internal consulting inevitably forces such conflicts to the surface.

Yet the real challenge for those consultants trapped between management and client is not simply choosing one over the other. Their challenge is to get the opposing sides to shake hands and join forces without the consultants getting themselves thrown out of the process, permanently.