

## THE FUTURE OF ORGANIZATIONAL CONSULTING\*

Thomas E. Backer

Elizabeth Allan scans *The Wall Street Journal* while she drinks her morning coffee. Finished with breakfast, she walks from the dining room into her office and begins another busy day in her organizational consulting practice. On the wall are her diplomas, one a doctorate in psychology and the other a certificate in organizational consulting from the same university's business school. Dr. Allan turns on her computer, and composes a report for a client. She has to work fast—today is Tuesday, a day for visiting clients in the field. The change of pace is nice, but she'd rather stay in her office, talking on the phone, using her computer, and viewing videotape interviews of workers at one of her client companies describing the problems they're running into with a new office automation system. That's the specialty area of Elizabeth Allan's practice.

The office walls are lined with videocassettes, books, and several racks of computer software. Unread on her desk—there is never time to stay caught up—are three journals and several newsletters on consulting. Next week Dr. Allan gives a talk on ethical issues for a local networking support group of consultants. That'll be followed by a speech to a statewide conference of mayors and city managers on implementing office automation in city agencies. She knows public speaking is one of the ways to keep her practice healthy, just as teaching a graduate course at a local university on practice development in consulting is a way to keep her current with trends in the field.

Dr. Allan's day will end with a visit to a difficult client, an entrepreneur who's fought getting the latest technology into his office. Now he just wants a "quick fix" of advice on system selection from his consultant, who knows her job is to help the client deal with the impact of the new systems on his 75 office employees. This is Round 3 of the encounter, and while she doesn't win, Elizabeth Allan will return to her home-office at 7:15 PM feeling she made some progress. It is March 3, 1991.

This look into the future of organizational consultation is not an idle dream, like the cover of an old *Popular Science*. Everything it

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depicts is technically feasible right now, and most of it is actually happening to some consultants in some practice settings. Our consultant of the future embodies fourteen trends in organizational consulting that are already beginning to happen.

#### WHERE CONSULTATION IS HEADING

Two present directions of our society are inextricably bound with the future of organizational consulting. The first is the rapid movement toward *information* as the basic "natural resource" underlying the world economy. The other is the accelerating pace of *change* in every aspect of our existence. How consultants respond, and are influenced by, these two phenomena has much to do with the vision of what organizational consultation will be like in the coming years.

Some of that vision has to do with the *professionalization* of the consulting field. Tottering out of childhood into awkward adolescence, organizational consultation may now be ready for the rites of passage into adulthood. How healthy and productive an adulthood remains to be seen. The vision also is about the use of *technology* in the consulting process; it is about the *impact* of consulting on organizations, and on everyday life. Consultants are at work in every dimension of society now. What effects consultation will have, and how the consulting profession will expand in the future, depends on the way we deploy that pervasive presence. And it will depend on how we train tomorrow's consultants today (See Table 1).

Professionalization, technology and impact of organizational consulting are the three themes of this article. The larger societal trends of information and change are considered as part of consultation's potential for impact. This analysis of consulting at the crossroads comes from two major sources:

- the work of the Consultation Research Program, funded by a six-year grant from the National Institute of Mental Health to the Human Interaction Research Institute. CRP has conducted a programmatic set of research, training, product development, dissemination/utilization and evaluation activities related to organizational consulting in the human services.

- sections on the future of consulting in recent textbooks on organizational consultation: Robert Kelley's *Consulting: The Complete Guide to a Profitable Career* (1981), Larry Greiner and Robert Metzger's *Consulting to Management* (1983), June Gallessich's *The Profession and Practice of Consultation* (1982), Saul Cooper and William Hodges' *The Mental Health Consultation Field* (1983), Jane Conoley's *Consultation in Schools: Theory, Research, Procedures* (1981), and Robert Blake and Jane Srygley Mouton's *Consultation: A Handbook for Individual and Organizational Development, 2nd Edition* (1983). A provocative article by Lippitt, Lippitt and Lafferty (1984) on the future of organization development also contributed to this analysis.

Table 1

## WHERE CONSULTING IS NOW

One way to look at organizational consultation as it is right now is simply to review the contents of the two periodicals now devoted to the subject. Looking at the Summer 1984 issues of *Consultation* and *Journal of Management Consulting*, one commonality is especially striking: both announce they are changing over to commercial publication. Both also have scope and diversity to their coverage, with some interesting overlaps, as these excerpts from their Summer 1984 contents indicate:

*Consultation* (Vol. 3, No. 3)

- history of the development of a large consulting firm
- analysis of Warren Bennis' study of effective leaders
- an innovative strategy for keeping internal consultants fresh
- short term consulting methods to use with human service agencies
- consulting with boards of directors in human service agencies

*Journal of Management Consulting* (Vol. 1, No. 3)

- what business school professors think of consulting
- consultants' need for personal computers
- several treatments of marketing and practice development, including one emphasizing that consultants now sell mostly a product rather than a capability
- activities of seven internal management consulting groups

The fourteen future trends in consulting that follow were drawn from these sources. All are relevant to *external* organizational consultants with public or private organizations, and many relate to internal consultants as well (See Table 2).

## PROFESSIONALIZATION

In recent years consultation has come to be seen as a professional discipline unto itself, separate from the content areas it addresses. Important changes have accompanied this new perception. Also, as in many other professions, issues of self-evaluation, ethics and minority participation have arisen in this newly defined field.

*1. More First-Time/Full-Time Consultants*

Increasing numbers of graduate students in business, the human services and related fields are making consultation their first-time, main career choice. Consulting has matured from a part-time professional activity that was always tied into a particular discipline, to full-time work that many students see as a desirable, even glamorous career. This can be seen, for example, in campus recruiting tactics of the major

Table 2

## FOURTEEN TRENDS IN CONSULTING

*Professionalization*

1. More first-time/full-time career choices
2. Broader training opportunities
3. Growing knowledge base, including specializing publications
4. Professional associations on the rise
5. Increasing opportunities for women and minorities
6. More attention to professional practice issues, including ethics and evaluation

*Technology*

1. Practice by telecommunications
2. Support from the microcomputer
3. Competition from software consulting packages

*Impact*

1. Implementation of both information/expert and change/helper roles
2. Increasing breadth of topical areas for practice
3. Continued healthy growth
4. Enhanced policy influence
5. Increasing prominence of organizational culture

consulting firms, and in statistics on employment gathered by the Department of Labor. Consultation also will continue to be a much emphasized secondary or part-time career for academics, and for both private and public sector workers after retirement.

*2. Broader Training Opportunities*

Training opportunities for consultants are on the rise. June Gallessich (1982) sees three major types of training programs available today: (a) those based in university departments and schools, and which are discipline-specific (e.g., mental health consultation, school consultation); (b) those based in non-traditional organizations, often offered to established professionals for continuing education purposes (the National Training Laboratories and University Associates are perhaps the largest of the many organizations providing these training programs); and (c) a newly-emerging type of program, based in a university, but non-disciplinary—that is, focused on training in the *process* of consultation for application in given subject fields.

The Consultation Research Program (CRP) has been in touch with some 50 university-based consultation training programs, and 25 or so providers of training in the private sector. CRP itself has offered more than 100 training events for consultants all over the United States and Canada. Alpert and Meyers' (1983) edited book on issues in the training of consultants, based on a recent national conference, is evidence that

training of consultants is starting to be taken seriously as a professional topic in its own right.

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Despite growth in classroom training programs, for the rest of this century the state-of-the-art in consultation will still likely be taught as it has always been taught—through apprenticeship (Backer & Glaser, 1982). Consultation is still more an art form than a science, and learning consultation involves experiential more than cognitive processing. Important aspects of actual consultation practice, such as Warren Bennis' concept that consultants should use themselves as role models for teaching valued skills to clients (Backer, 1984), can really only be taught by observation and practice, not through textbooks or classroom situations. This is also why all major consultation training programs have practicums and internships.

### *3. Growing Knowledge Base*

The published, readily available knowledge base on consultation is increasing, and channels are already set in place for this growth to continue. The textbooks cited earlier are one line of evidence. So is the listings of more than 350 recent references on consultation in a recently updated bibliography (Backer & Glaser, 1984). New titles are coming out all the time, and the recent change to commercial publication of *Consultation* and *Journal of Management Consulting* suggests a growing demand for information about consultation. At least a dozen other book projects on organizational consulting are currently in the works.

### *4. Professional Associations on the Rise*

More than two dozen associations for consultants were surveyed in Grant and Backer (1983); new ones are constantly being formed. Many of these groups are concerned at least to some extent with regulation and certification of consultants. While it seems unlikely that legal regulation will happen in the near future, there does seem to be increased interest from both long-established associations (such as the American Psychological Association's Division of Consulting Psychology and the Academy of Management's Managerial Consulting Division) and the newer groups (such as the recently formed Certified Consultants International) for creating and disseminating self-imposed standards for professional practice.

Table 3

**SOME PROFESSIONAL ASSOCIATIONS  
FOR CONSULTANTS**

Association of Management Consulting Engineers (AMCE)  
230 Park Avenue  
New York, NY 10017

Association of Management Consultants  
331 Madison Avenue  
New York, NY 10017

Academy of Management, Division of Managerial Consultation  
Dr. André Delbecq  
School of Business  
University of Santa Clara  
Santa Clara, CA 95053

Association of Internal Management Consultants  
Box 472  
Glastonberry, CT 06033

Certified Consultants International  
P.O. Box 573  
Brentwood, TN 37027

Division of Consulting Psychology (Division 13)  
American Psychological Association  
Dr. Mack T. Henderson  
Rohrer, Hibler & Replogle, Inc.  
626 Wilshire Boulevard  
Los Angeles, CA 90017

Institute of Management Consultants  
19 West 44th Street  
New York, NY 10036

International Consultants Foundation  
5605 Lamar Road  
Bethesda, MD 20016

Management Advisory Services Division  
American Institute of Public Accountants  
1211 Avenue of the Americas  
New York, NY 10036

National Psychological Consultants to Management, Inc.  
Dr. Walter Kuleck  
6577 Maplewood Road, Apt. 101  
Mayfield Heights, OH 44124

Society of Professional Management Consultants  
41 East 42nd Street  
New York, NY 10017

Associations also are increasingly serving networking functions for consultants, both to enhance service abilities and to reduce the feelings of loneliness and professional alienation that often go with

consulting (Carillo, Lumbley & Westbrook, 1984; McConkey & Crandall, 1984) (See Table 3).

#### *5. Increasing Opportunities for Women and Minorities*

Organizational consultation until recently has been largely an actively dominated by white males. Now women are moving into significant consulting work (Blanton & Sedill-Selick, 1982), as are racial and ethnic minorities. The creation of special programs for awarding federal contracts to minority-owned small businesses have been especially helpful in this regard, spawning many consulting groups operated by blacks, chicanos, and orientals, among others. These consulting firms will doubtless become more influential as the marketplace importance of minority groups solidifies (e.g., in Los Angeles the largest single marketplace by 1990 will be latinos, and many companies already are gearing up by hiring marketing consultants who know this community).

#### *6. More Attention to Professional Practice Issues, Including Ethics and Evaluation*

There is an increasing attention to professional issues such as ethics (Glaser, 1981) and program evaluation (Lippitt, 1981) in the consultation field. Conoley (1981) notes an increasing demand among public sector client organizations for consultants to demonstrate their worth through systematic evaluations. Attention to practical issues such as marketing and business development also are given top priority by consultants in practice, according to CRP's needs assessment survey (Backer & Glaser, 1981).

## TECHNOLOGY

Modern computers and telecommunications technology are changing everybody's lives, from the 10-year-old with a microcomputer by his or her bed to the company that sells its products with a 50-city teleconference linked together by satellite. Consultation is not immune to this influence, as the following trends indicate:

#### *1. Practice by Telecommunications*

There will be an increasing amount of consultation by telecommunications. In a recent article on teleconferencing, Johannsen and Bullen (1984) give the example of a manufacturing company that has a breakdown in one of its assembly lines. A team of consultants is retained to work on this problem, but there the similarity with tradi-

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tional consulting ends. The consultants are all in different cities; only one of them is where the assembly line is located. All the consulting engineers on the project are sent a videotape of the assembly line that is malfunctioning. They review the videotape, and have a teleconference to work out a solution together, which can then be implemented by company technicians.

Gordon Lippitt and others suggested telephone consultation years ago as a productive alternative to in-person intervention. Consultants burned out with excessive travel will doubtless cheer this coming development. The proliferation of Federal Express and other overnight mail services, and now the emergence of Zap Mail, which makes facsimiles available on the other side of the country within two hours, also makes long-distance consultation easier.

### *2. Support from the Microcomputer*

The microcomputer will provide increasing assistance in the everyday work of consulting practices. Word processing of consulting reports, prospect letters, billing and other routine functions is already a reality. Consultants who have a personal computer often keep a disk for each client, with notes, reports, and other materials ready at hand. For example, Bo Tomlin, a consulting engineer in Los Angeles who helped develop Yamaha's DX-7 music synthesizer and George Lucas' THX Sound System, carries a portable personal computer with him wherever he goes. He keeps his appointments and other business information on the computer, and does programming work related to his various projects as well.

The computer can also make possible whole new approaches to setting up a consulting organization, especially when combined with telecommunications capability. For example, one recently-started Los Angeles consulting firm has a master plan for expanding to 30 offices within two years. The offices will all be tied together by telecommunications. The company's service, consulting on purchase of computer hardware and software by various organizations, will proceed through the accumulation of many standardized reports on the firm's central computer. These reports can be pulled and augmented in remote offices to meet individual client needs. The result is a system which breaks the "hour's pay for an hour's service" barrier in professional consulting.

### *3. Competition from Software Consulting Packages*

Technology may have some negative impact as well. For example, Molinaro (1984) concludes that the predictions of unbridled growth in the job market for consultants may be somewhat overstated. What happens, he says, if in many areas of technical consultation a computer



software package is developed that will serve the same functions as a consultant? A group of oil rig experts might get together, for instance, and come up with "1001 solutions to oil rig malfunctions," which then would be placed into a software package by expert programmers. Such packages may put consultants in certain specialty areas out of business.

### IMPACT

With more consultants on the scene, and more power attributed to them because of increasing specialization, there is little doubt that they will have enhanced potential to influence human affairs in the coming years. How much they will influence human affairs is related to factors such as the following:

#### *1. Implementation of Both Information/Expert and Change/Helper Roles*

While information, as the prime resource in our economy, will continue to be an important lightning rod for consulting services, of even greater importance will be the accelerating rate of change. Robert Kelley (1981, p. 246) calls consulting "an industry tied to our infant information society... In an information society, information is power... Consultants will either package the specialized information into useful societal information or make judgments about it". In this perceptive analysis, Kelley speaks to only one aspect of consulting practice, however: *expert* consultation in which the transfer of information is the primary purpose.

In terms of overall societal impact, far more important is consultation aimed at helping organizations learn how to cope with change. That translates into helping organizational leaders understand better how people and systems react psychologically to the prospect of change, and how change can be implemented to overcome potential resistance and unify support for the new order of things. Kanter (1983) says that one of three critical skills management needs to learn to keep competitive and keep innovation alive in organizations is an understanding of how change is designed and conducted in an organization. This is something consultants can help with. Her analysis is reinforced by predictions of change in work organizations made by Peters and Waterman (1982), Naisbitt (1982), and many others.

Information is power, but understanding human nature is power in an even more fundamental way. Advertisers know this, so do politicians, and so does film director Steven Spielberg. The most impactful type of consultation is that which increases the client's understanding of human nature in given organizational contexts, and increases the client's ability to devise and carry out organizational change programs

that reflect that understanding. Information may provide critical support to such efforts, but without enhancing ability to cope with change, new information is unlikely to be used successfully.

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Management consultation is certainly at something of a crossroads in these terms. Consultation training and practice need emphasis both in information-expert oriented consulting, and in change-process oriented consulting. The first step is to recognize clearly the differences between the two.

#### *2. Increasing Breadth of Topical Areas for Practice*

Consultation services will continue moving into new subject fields. In the pages of this journal during its first three years of publication (1981-1984), articles appeared on everything from international consulting on fast food franchising, to consulting on mental health services in the community, to consulting about the marketing of feature films. Evidence reviewed for this article suggests a wide range of topics likely to take on increased importance for consultants in the next few years:

- health promotion and wellness
- robotics in manufacturing
- conflict management in organizations
- pre-retirement planning
- employee benefits management
- creativity development in organizations
- integration of new communications technology into the workplace

These are just a few of the many possibilities. As consultants become ever more visible in organizations and in society at large, additional topics for consulting interventions are bound to arise. Indeed, handling consultants effectively has now become a concern for many managers, who take seminars and read books on the subject (Grant & Backer, 1981). And the role of the consultant is becoming more visible to the general public: that great bellwether of social trends, commercial television, shows several episodic television programs with

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characters labeled as consultants, and one program (on public television) actually entitled *The Consultant*.

### 3. *Continued Healthy Growth*

Consulting practice will continue to be a growth industry for the rest of this century. In 1981, I estimated the size of the consulting profession to be about 60,000 practitioners (Backer, 1981); that number has doubtless grown since then. Since many of the best opportunities for business development in America are with small entrepreneurial firms, consulting work will probably continue to expand in this way. However, major firms like the "Big Eight" accounting organizations are also continuing their expansion into management consultation. This is likely to result in a fallout of many smaller firms in the coming years.

### 4. *Enhanced Policy Influence*

Consultants will continue to assist organizations in dealing with their complex problems through both information-expert and change-process roles, but there is likely to be a growing trend for consultants to influence corporate and public policy as well. For example, in the area of mental health consultation, Backer and Levine (1983) identified new roles for consultants in community mental health centers, as leaders in extending mental health services into the community in innovative ways. Employee Assistance Programs are just one example of how nontraditional applications of mental health consultation can open new doorways.

Some of this policy-oriented consulting is more likely to be what Blake and Mouton (1983) call confrontational consultation, helping clients to cope with difficult issues by surfacing them rather plainly. Consultants in community mental health, for example, have lost many past opportunities for impact because they perceived themselves in marginal roles within their organizations, and didn't speak up about shortfalls in their agencies' service delivery patterns. Now these shortfalls are coming back to haunt these agencies as a whole, and the consultation professional in particular. Confrontational consultation makes clear potential losses or liabilities stemming from certain policy choices, as well as identifying clearly shortfalls in the client's staff capabilities or organizational structure.

### 5. *Increasing Prominence of Organizational Culture*

Consultants will need to continue learning how organizational culture relates to consulting interventions. Many consultants have been relatively insensitive to this variable in the past, but it is now

becoming recognized as essential to effecting worthwhile organizational change (Lippitt, Lippitt & Lafferty, 1984).

### THE CHALLENGE AHEAD

There are many changes coming, both for today's practitioners of the consulting art, and for the trainers of tomorrow's consultants. The 14 trends described here are just a part of the challenge ahead in the consulting field—and are only predictions of what the future may be. Because the world generally is in a state of rapid change, we may not even know yet all the trends upcoming for consultants. Responding to this challenge will require energy and dedication by all involved in the field of organizational consultation. Most of all, it will require *creativity* in developing consulting strategies, practice mechanisms, and training formats.

Creativity also is the key to keeping consultation relevant to organizations for this rest of this century. Combined with good common sense and the wisdom of experience, creativity in the consulting process will help consultants earn their fees by coming up with practical solutions to problems and useful observations about their organizational clients. While technology may make its contribution, organizational consulting ultimately depends, more than anything else, on the power of the human brain. Whatever changes come in the next few years, consultants who are effectively creative in responding to change for themselves and their clients will continue to prosper.

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