

Exploring Skills and Competencies for Consultants

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Introduction

The subject of skills and competencies for management consultants is on the radar of consulting firms, professional bodies and in texts on the sector (see, for example, Caluwe and Reitsma, 2010 and Hodges, 2017). This paper draws on insights and perspectives that hopefully readers will find useful. It is not a comprehensive summary but one that nods towards the practical, with references in place for people who wish to dive deeper.

Project Management, Analysis, and Relationship-Building Skills

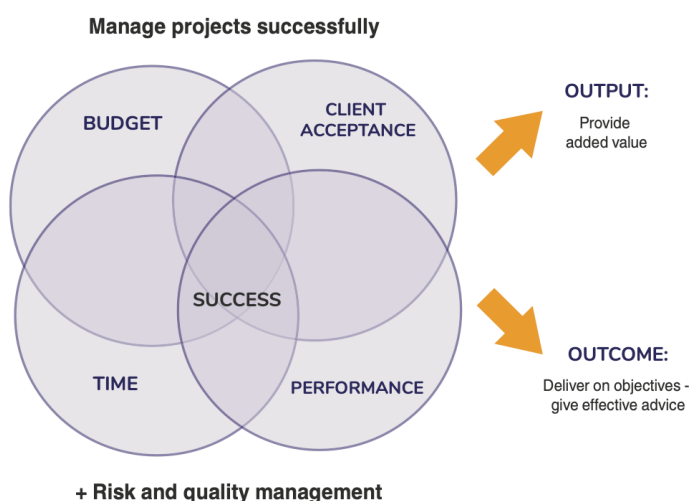


Figure 1: The quadruple constraint model for overall project performance assessment applied to consultancy projects. The quadruple constraint model is according to pinto (2015).

Wickham and Wilcock (2016) argued that any consultant needs to be skilled in three areas, namely project management, analysis, and relationship building. Project management skills are a vital component since consultants need to deliver projects. In this respect, Pinto (2015) specified the abilities to successfully manage budget, time, performance on objectives and client acceptance (see Figure 1). Moreover, Kaplan and Mikes (2012) highlighted the necessity to timely identify and appropriately address the risks.

Analysis skills are essential in the solution development process (see Figure 2). According to Prinsloo and Prinsloo (2018), analytical thinking is based on the ability to critically and rationally assess the facts, see interdependencies between components, apply linear – causal reasoning and make unbiased judgements. As for relationship-building skills, they help consultants obtain key stakeholders' support and manage the

relationship dynamic throughout the consultancy lifecycle. Furthermore, they help ensure future collaboration. The major elements in this group of skills are the ability to build trust, effective communication, and negotiation (Wickham and Wilcock, 2016). Building and maintaining trust is often a great challenge for consultants since they have to deal with 'learning-credibility tension' which means they need to maintain perceived credibility at a high level while seeking information and learning (Bourgoin and Harvey, 2018).



Figure 2: McKinsey problem-solving process. The figure is created based on Davis et al. (2007).

Effective communication allows consultants to understand the organisational culture and politics and thus develop solutions that not only help improve the client's competitive advantage but also are accepted and implemented. As Schein noted, a solution will only work if it does not contradict the organisation's identity (Kuppler, 2015). To communicate successfully, consultants should choose appropriate channels, tailor the content to the audience, deliver the message in an understandable way and appear authentic and persuasive. As for negotiation skills, they help manage a client's expectations and are especially critical when aligning the project scope (Wickham and Wilcock, 2016).

Selecting Appropriate Consulting Approaches, Roles, and Behaviours

The purpose of consultancy, according to Turner (1982), may go far beyond just giving advice. Moreover, the scope of purpose, and thus the required knowledge and competencies, depend on the type of consultancy needed (see Table 1). Whereas expert consulting relies heavily on a deep knowledge in a specific area, process consulting seeks skills required to conduct the diagnosis and facilitate the solution development process. However, working on different projects during their career, consultants end up applying all three approaches and ideally, they should be able to select and apply the one responding best to the client needs (Schein, 1978).

Consultancy Approach	Use Case	Consultant's Function	Scope of purpose
'Expert'	<ul style="list-style-type: none"> Client conducts diagnosis accurately and communicates the need Client needs a 'content expert' in the problem area 	<ul style="list-style-type: none"> Providing an appropriate solution 	<ul style="list-style-type: none"> Provide information Solve client's issues Develop recommended actions based on the diagnosis
'Doctor-patient'	<ul style="list-style-type: none"> Client experiences symptoms indicating that there is a problem Client seeks support in diagnosis and solution finding 	<ul style="list-style-type: none"> Conducting diagnosis 'Prescribing' an appropriate solution 	<ul style="list-style-type: none"> Provide Information Solve client's issue Make diagnosis that may require problem redefinition Develop recommended actions based on the diagnosis
'Process'	<ul style="list-style-type: none"> (Strategic) issues that require client involvement in diagnosis process Diagnosis process entails gathering and interpretation of the relevant information which may be hidden within the client system 	<ul style="list-style-type: none"> Facilitating diagnosis and solution finding process rather than providing expertise in a specific field Encouraging client to develop his/her own solution rather than making 'prescriptions' 	<ul style="list-style-type: none"> Providing information Solve client's issues Make diagnosis that may require problem redefinition Develop recommended actions based on the diagnosis Help implement the recommended actions Facilitate consensus and commitment to corrective measure Teach clients how to resolve similar issues on their own Continuously improve organisational effectiveness

Table 1: Scope of consultancy purpose for the Schein's three models of consultation. The table is created based on Schein (1978) and Turner (1982).

The idea of different consultancy approaches was expanded by Champion et al. (1990) who

developed a 'consulting role grid' model (see Figure 3). It identifies the nine roles corresponding to various levels of a consultant's responsibility for project results and for the client's growth in terms of building capability to resolve similar issues without assistance. The roles differ by the degree of consultant's intervention and thus require behaviours at a range of assertiveness levels involving activities.

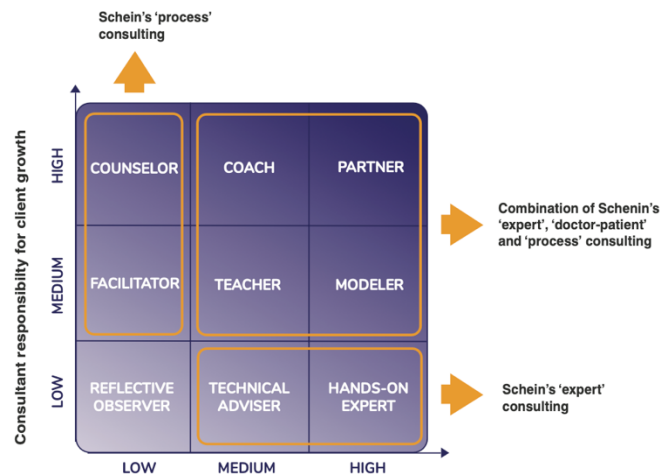


Figure 3: The consulting role grid model vs. Schein's approaches to consultancy. Consulting role grid model is adopted from Champion et al. (1990). The specified Schein's consultancy approaches are according to Schein (1978).

Not only should consultants possess the required skills, but they should also understand the reasons why they were engaged by the client and choose the roles and behaviours that are most effective within the given project context. For example, often to surface the problems, they need to lead debates into an uncomfortable zone to question taken-for-granted organisational beliefs (Bowman, 1995; Flip Chart Fairy Tales, 2010). Doing this requires a lot of experience and social competence since the client is likely to show resistance and any poorly designed question may damage a consultant's professional image.

Consultancy Qualification?

McKenna emphasized that there is no formal qualification required for the consultant role (Levitt and Dubner, 2012). Moreover, companies in the consultancy sector are not interested in having an established body of knowledge since it may harm their competitive advantage. Nevertheless, there are institutions aiming at professionalisation of consultancy. For example, the International Council of Management Consulting Institutes (ICMCI) has developed a 'competence framework' highlighting three groups of competencies including business, technical, and values and behaviour (see Table 2).

In my opinion, the framework, to a large extent, reflects the discussed areas of project management, relationship building, and analysis. It additionally includes business knowledge and sectorial expertise that are vital in expert consultancy. Moreover, it highlights work ethics. Yet there is no clear emphasis on the consultant's ability to choose behavioural tactics that are most effective in the given circumstances.

ICMCI competencies framework

Business

- ▷ Client understanding
- ▷ Client business knowledge
- ▷ External context awareness

Technical

- ▷ Sectorial knowledge and experience
- ▷ Client focus incl. engagement and scoping requirements
- ▷ Assignment management incl. planning, managing outcomes, risk and quality management
- ▷ Consulting knowledge management incl. knowledge building, sharing and applying
- ▷ Consulting process techniques incl. facilitation, presentation, reports, team work, consensus building
- ▷ Selection and application of appropriate diagnostic methodologies

Values and behaviour

- ▷ Ethical and professional behaviour
- ▷ Effective interaction incl. communication and influencing
- ▷ Analytical skills incl. problem solving and recommendation development

Table 2: Consultant's competencies according to ICMCI 'Competence Framework'. The table is created based on ICMCI (2013).

Development of Consultancy Competencies

Knowledge creation and sharing are a basis for the development of the skills required of consultants. Given that knowledge is a key asset in consultancy organisations, they should put significant effort and resources into managing it effectively (Sarvary, 1999).

Knowledge types

I shall distinguish between two knowledge types, namely explicit and tacit (Nonaka et al., 2000). Explicit knowledge can be articulated, documented and stored in databases. It includes, for example, consultancy frameworks and go-to-market methodologies. As for tacit knowledge, this cannot be communicated and documented easily. Such knowledge includes, for instance, handling local business issues. It is critical that knowledge management practices address both knowledge types (Summerhayes and Luo, 2006).

Skills development

To continually develop the consulting team's knowledge, it is necessary to first establish a knowledge sharing process through which the already available knowledge is shared among team members. Additionally, to expand their knowledge dimensions, consultancy organisations should implement and execute a process for new knowledge creation by acquiring new knowledge from external resources and by creating it from scratch. The methods organisations use to share knowledge among their professionals depend on the knowledge type. Explicit knowledge in consultancy organisations is normally integrated in their services (Summerhayes and Luo, 2006). Such knowledge is documented, so that consultants can gain it through formal educational programmes, and domain-specific training. For example, by this means, consultants can learn about market trends and various techniques and frameworks.

Yet, there is a gap between understanding the techniques and the ability to apply those effectively (Guzman, 2009). This gap is due to the tacit knowledge component. Given that tacit knowledge resides in individuals, it can be acquired by observing others practicing target skills as well as by practicing with or without supervision (Nonaka et al., 2000). Newcomers, before they start handling the tasks on their own, may first

absorb practices by observing their peers. In this way, I believe one can learn how to effectively facilitate a solution development process using for instance the zone of uncomfortable debate method.

As for the new knowledge creation process, Nonaka (1994) developed a SECI (socialisation, externalisation, combination, internalisation) framework suggesting how tacit and explicit knowledge can be created and transferred within the firm (see Table 3). I believe for consultancy business, socialisation is the key element, as during this phase consultants acquire the latest knowledge from the third-party experts while participating in external workshops and forums. Consultants can also learn from clients and from temporary hired external professionals. As for the remaining three phases in the SECI model, they will ensure proper documentation and internal sharing of the newly acquired knowledge.

A. Socialisation

► Tacit knowledge acquisition by multiple individuals via shared hands-on experiences and face-to-face interaction

B. Externalisation

► Tacit knowledge translation into comprehensive pieces of explicit knowledge

C. Combination

► Combining elements of explicit knowledge together and translating those into more complex and organised forms of explicit knowledge

D. Internalisation

► Sharing the newly created explicit knowledge throughout the company
► Explicit knowledge translation into a tacit knowledge by individuals by means of practice

Table 3: Nonaka's SECI framework for knowledge creation and transfer within the organisation. The table is created based on Nonaka (1994).

Skills of Consultants Versus Executives in the Client Organization

Client executives' goal is making sure that the business delivers on stakeholders' expectations and remains competitive. Ulrich and Smallwood (2007) suggested the five areas of leadership skills that, in my opinion, very well describe what effective executives should be able to do (see Table 4).

1. Create and implement organisational strategy

2. Manage organisational structure and processes in a way that they deliver the required outcome

3. Manage employees so that they are motivated, satisfied and work effectively and efficiently

4. Facilitate development of tomorrow's talent

5. Demonstrate personal proficiency including communication skills, ethics, decisiveness and taking on responsibility

Table 4: The five elements of the 'Leadership code'. The table is created based on Ulrich and Smallwood (2007).

Comparing these skills with the consultants' skills discussed above, one may notice a considerable overlap. For instance, both need to show personal proficiency, be able to drive change, execute, and inspire people to collaborate. Moreover, executives similar to consultants need to be able to adapt their behaviour and leadership style according to the circumstances. Yet, executives, who primarily focus on

the specifics of their own organisation and its supply chain, may lack information

concerning recent market development and new technologies. They may also be blind to certain aspects such as personal and organisational culture biases leading to decreased competitiveness and missed business opportunities. This is where

consultants with their distanced view, state-of-the-art methodologies, latest market information, and ability to identify and solve the problems can be useful.

However, multiple client organisations undertake to build internal consulting competencies by recruiting former consultants to fulfil managerial roles (Christensen et al. 2013). This development led to a phenomenon called 'management as consultancy' which refers to managers adopting consulting practices while fulfilling their jobs as executives (Sturdy et al., 2016). Consultant managers are project-oriented, bring change, appreciate the external environment and play down hierarchy. Sturdy et al. (2016) argued that management as consultancy may be a significant threat to external consultants as it decreases their differentiation potential. I only partially agree with this argument. Thinking of reasons why organisations use consultants, one may summarize those as follows:

- Lacking information and expertise to identify and/or solve a problem or seize an opportunity (e.g. strategic advice, operations improvement, help to implement change, provide market information);
- Temporarily required extra manpower;
- Use a consultant's perceived objectivity to deal with organisational politics and overcome blocking coalitions (Worstall, 2012);
- Shift the responsibility in case of failure resulting from implemented change (Semadeni and Krause, 2011).

I think only the first reason is affected by the management as consultancy phenomenon. Furthermore, even though consultant managers can apply practices such as solution development process facilitation, it will be a great challenge to continually acquire the latest information about market development or emerging technologies crucial for the business. Therefore, management as consultancy is likely to impact process consultancy rather than expert consultancy business. Additionally, over time, consulting managers will lose the objectivity through long-term involvement in the business which will lead to a decreased ability to identify the problems.

Conclusion

Overall, each consultant should be able to master skills from the three categories, namely project management, relationship building, and analysis. Besides possessing these skills, consultants need to be able to select the roles and behaviours to address the client needs in the most effective way. Doing so, they should act aligned with ethics and their values. Successful development of consultancy skills requires a well-established knowledge sharing process that includes both explicit and tacit knowledge transfer. This process in consultancy is characterised by the continuous involvement of external third parties for new knowledge acquisition.

There is a significant overlap between the skill sets required of consultants and client executives. Moreover, this overlap grows resulting from the management as a consultancy phenomenon. This creates a threat to consultancy firms due to their diminishing differentiation. Thus, to maintain their relevance, consultancy companies may need to shift focus from general strategy consulting to a more focused expert consulting and to move from effort-based to value-based pricing.

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