

**CLIENT PERCEIVED VALUE IN  
QUALITY CONSULTANCY  
RELATIONSHIPS**

**By**

**RAYMOND PETER MURPHY**

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# ABSTRACT

This thesis makes a generalisable contribution to the development of a dynamic relationship approach to the theory and practice of quality management in professional services. A value generation system and practitioner tools are proposed as a result of a synthesis of literature from multiple disciplines, grounded in empirical research. The methodology involves an analysis of detailed case studies carried out by the author when acting as a consultant researcher. This is supported by the findings of a skills questionnaire sent to client contacts who had experienced ISO 9000 consultancy, together with a key incident survey of satisfying and dissatisfying incidents. Customer service research provides an analysis of customer perceived value within a service exchange (Zeithaml *et al*, 1990; Ghobadian *et al*, 1994; Patterson *et al*, 1997; Groth and Dye, 1999). Relationship marketing literature provides an analysis of customer perceived value in a relationship between two organisations (Halinen, 1997; Hakansson, 1995; Storbacka *et al*, 1994; Payne, 1995; Juttner *et al*, 1994, Ford *et al*, 1998). A relationship process structure identified in counselling literature is shown to be complementary to consultancy at the episode level. Comparable higher relationship levels relating to the assignment process and account development processes are identified within consultancy and relationship marketing literature respectively and integrated within the proposed system. A critique of the registration approach to quality management systems (ISO 9000: 1994 and its successor ISO 9000: 2000) is included as a necessary factor in forming an opinion about the generalisability of the research findings.

# FOREWARD

A summary of the material contained in the first six chapters of this thesis has already been published in: Murphy, R, (1999). Client perceived value within ISO 9000 consultancy projects, Journal of Small Business Enterprise and Development, Volume 6, Number 1, pp 37-54. There are some minor adjustments to key incident data groupings from those published in the Journal. The changes are indicated in **Chapter Nine** of this thesis.

# CONTENTS

	<b>Page</b>
<b>INTRODUCTION</b>	I
Research problem	I
Research area	II
Client perceived value viewed as a transformation process	VI
Research aims	VIII
Research setting	IX
Thesis rationale	X
<b>Figure 0-1 Quality represented as a dynamic relationship development process</b>	X
<b>Chapter One – EMPIRICAL RESEARCH DESIGN</b>	1
Research approach	2
Research methodology	3
An action research methodology applied to consultancy case studies	8
Ethical issues faced by a consultant researcher	11
The consultant researcher as part of a relationship system	14
<b>Chapter Two - A REVIEW OF QUALITY MANAGEMENT LITERATURE</b>	17
The historical development of quality management	18
Definitions of quality	21
The dimensions of quality	24
Revenue and cost	25
Human factors and organisational culture	29
Wider social issues	30
Continuous improvement and organisational learning	32
A relationship marketing approach to quality	37
Rationale for addressing client perceived value through client satisfaction	43

# CONTENTS - CONTINUED

	<b>Page</b>
<b>Chapter Three - A LITERATURE REVIEW OF QUALITY MANAGEMENT SYSTEMS AND ISO 9000</b>	50
Definition of ISO 9000	51
Provenance and spread of ISO 9000	53
Requirements and structure of a documented quality management system	57
Reasons for pursuing registration	61
Survey evidence	64
The relationship between Total Quality Management (TQM) and ISO 9000	68
Analysis of the case against ISO 9000	73
ISO 9000 and the role of consultants	83
The future of ISO 9000	86
<b>Chapter Four - A LITERATURE REVIEW OF THE MANAGEMENT CONSULTANCY PROCESS</b>	91
Defining the consultancy process	92
ISO 9000 consultancy	94
Consultancy roles	97
Consultancy styles	100
Process consultation	102
Consultancy skills	106
The consultancy process	107
<b>Figure 4-1 Nested hierarchy of relationship process chains</b>	110
The relationship marketing concept applied to professional services	124
Holographic metaphor	127
A dialogical approach to the relationship development process	130
<b>Chapter Five – RESEARCH FINDINGS – THE SURVEY</b>	135
Response rates	135
Respondent population	137
Findings of the consultancy skills questionnaire	140
Significance of consultancy style	150
Analysis of skills as indicators of consultancy style	152
Findings of the key incident survey	157
Discussion of key incident findings	169

# CONTENTS - CONTINUED

	<b>Page</b>
<b>Chapter Six - A MODEL OF CLIENT PERCEIVED VALUE</b>	172
A discussion of value elements	173
The proposed dynamic model	179
<b>Figure 6-1 Model of client perceived value</b>	180
Validity of the process model	184
<b>Chapter Seven – TESTING THE MODEL THROUGH CASE STUDY RESEARCH</b>	189
Method	190
Detailed cases	192
Mini cases	252
Implications of the case study findings	276
<b>Chapter Eight – CASE STUDY ANALYSIS</b>	277
Introduction	277
<b>Figure 8-1 Value generation system</b>	278
Assignment value generation system	279
<b>Chapter Nine – CONCLUSIONS AND RECOMMENDATIONS</b>	284
Validity of the integrated research	284
Contribution to the theory and practice of quality management	287
Contribution to the theory and practice of consultancy	291
The proposed value generation system	294
Avenues for further research	327
<b>APPENDICES</b>	329
Appendix 1 ISO 9000 Quality Consultancy survey	329
Appendix 2 Consultancy assignment feedback questionnaire	333
Appendix 3 Meeting record form	334
Appendix 4 Case study analysis	335
<b>BIBLIOGRAPHY</b>	374

# INTRODUCTION

## Research problem

A consultant brings a vision or conceptual model to a client organisation. Typically the consultant has experience of fulfilling the vision in different ways for businesses with varying characteristics:- technical, organisational or commercial. The common link between consultancy assignments is the need to form working relationships with client contacts so that appropriate elements of the model can be transferred to the ownership of the client. A number of client contacts may be required to complete an assignment for a particular organisation. This thesis addresses the process by which a consultant manages the relationship process in order to achieve client perceived value. It is asserted in this thesis, that consultancy and relationship marketing theory have focussed on inter-organisational processes and relationships, whereas service quality theory has addressed the service transaction rather than the customer-supplier relationship. This thesis proposes a system for managing individual relationships between consultants and client contacts through which, it is suggested, value is generated. It is argued that the model of client perceived value and the value generation system, proposed in this thesis, make an original and useful contribution to the theory and practice of quality management applied to professional services.

## **Research area**

The research area concerns the balance between explicit customer perceived value, reducible to price or cost, and implicit customer perceived value which cannot easily be quantified. The implicit-explicit approach to value is identified by Vroman and Luchsinger (1994, p151). This thesis explores interpretations of quality within working relationships between consultants and individual client contacts in ISO 9000 implementation projects (assignments).

The difficulty of carrying out research in the areas of quality, price and value has been known for some time:

*“Perhaps no currently available research method can address effectively the difficult issues associated with price and quality measurement.” (Curry et al, 1988)*

Concepts such as expectations, satisfaction and perceived value are often used within structured attempts to analyse quality within service relationships (Storbacka *et al* 1994; Ghobadian *et al*, 1994; Patterson *et al*, 1997; Groth and Dye, 1999). Analysis of this literature shows that quality is defined by clients and that clients can value elements of a service without necessarily associating them with quality. A distinction between client perceived value and client perceived quality is seen as unhelpful to the purpose of this thesis, which is to focus on the commercial performance of a professional service provider. It is proposed that commercial performance has to be linked to a client’s perceptions of value regardless of any association with quality. Thus ‘client perceived value’ is viewed as an indicator of quality and the term is used in preference to quality. The term ‘reputation’ is shown to be complementary to

perceived value in quality management literature. It is proposed in **Chapter Two** that the reputation of a service provider represents an accumulation of customer perceived value, experienced throughout a service. The context of research into ‘Quality Consultancy’ provides another reason to avoid potential confusion through use of the of the term quality.

When researching consultancy, the consultancy field in which the client is seeking help may have a significant effect on the nature of the relationship between the client and consultant. Consultants play a key role in the ISO 9000 industry. Consultancy assignments in this field typically have explicit short-term objectives, expressed through terms of reference. Senior managers do not seem to be employing ISO 9000 consultants to help bring about any fundamental long term changes in how businesses are managed at a strategic level (Taylor, 1995, pp 54-55). ISO 9000 clients were asked to provide details of skills displayed by consultants, together with examples of particularly satisfying and dissatisfying incidents experienced in consultancy assignments. It is suggested that this approach provides data that identify the value of the consultancy process in addition to ISO 9000 registration, in itself. From case study findings and a literature review, particularly Seddon’s (1997) ten points, it is concluded that the third party registration process, if not ISO 9000 itself, in practice inhibits continuous improvement. The main reason for this is that businesses are not free to interpret the standard in the way they wish in order to serve customers. Instead, they add process stages and maintain records to satisfy the assessor, regardless of any actual benefits. Research evidence indicates that the marketing

value of ISO 9000 registration, in terms of becoming an approved supplier, is the overriding factor in pursuing third party registration (North *et al*, 1998, p118; Campbell, 1994, p377).

The limitations of ISO 9000 as a system for improving management are well known. These result from bureaucracy, rigidity, lack of strategic focus, lack of commercial focus and an over emphasis on inspection. However, there is survey evidence and literature which provide a favourable view of ISO 9000 (Fox, 1994; Wong, 1995, Sayle, 1991, SGS Yardsley Survey 1996; Mobil Survey, 1995). This study does not defend ISO 9000, but explores the reality of consultancy in ISO 9000 assignments as a means of investigating customer perceived value. It is recognised that many businesses consider ISO 9000 to be only one element in a more comprehensive approach to quality management, involving Investors In People, QS 9000 or Total Quality Management programmes. Whether or not ISO 9000 consultants are explicitly contracted to address these wider issues, ISO 9000 consultancy relationships have an impact on the degree to which the related programmes are successful.

The value aspect of customer perception, while influenced by psychological and cultural values can only have commercial relevance to the service provider when reflected in a sustainable profitable price for the service. The relationship between price and quality has been notoriously difficult to study through controlled

experiments (Bowrick 1992, pp169-175; Juran , 1988, pp3.9-3.12; Garvin, 1988, pp70-74). However, businesses are continually involved in such an experimental process, the conditions of which any concept of customer perceived value must address. This emphasis on the unpredictable and relatively uncontrollable revenue creation aspect of quality is significantly different from the conventional cost focus of value analysis. A client perceived value concept of quality should bridge the gap between unpredictable markets and controllable processes. This is based on the reality that service providers need to prioritise the creation of a customer's perceptions of value, in order to secure important contracts, before process refinements can have the slightest meaning. This is recognised in relationship marketing literature from a strategic perspective focussed on inter-company relationships (Ford *et al*, 1998). However, it is proposed that, the detailed processes through which relationship value is generated have not been addressed in either quality management or relationship marketing literature.

## **Client perceived value viewed as a transformation process**

It is argued that emotional perceptions of clients drive commercial relationships with consultants. That is, clients make commercial judgements about consultants based on the way they feel after each meeting and on the emotional memories of an assignment. The consultant's input to these relationships should be considered to have relevance to the extent that the emotional perception of client perceived value is influenced. Assignment structures, outputs and achievements are only constituents of the overall perception. The pursuit of customer perceived value creates a working boundary for the multiple dimensions of a relationship. To have credibility in commercial situations this relationship must ultimately be realised in terms of sales revenue for the consultant. A consideration of value draws attention to relationship outputs, which are not directly addressed through conventional relationship dimensions. Business literature is now exploring the creation of client perceived value beyond the established service transaction. Barlow *et al* (2000) propose that customer perceived value is emotionally determined. Pine and Gilmore (1999) stress the importance of experiences and the memories that they provide to a client in the creation of value. In using the role of a theatre director as an analogy for a facilitator of transformation, Pine and Gilmore propose the following:

*Guiding is directing! And again, a skilled director embodies two seemingly contradictory roles: collaborator and commander. Directing certainly takes on the flavor of collaboration, with shared control of outputs and dialog with actors about how best to portray their roles. But there are moments within the transformation when the director must force decisions and dictate a particular course of action, helping the actors realize their aspirations. The director guides the moment-to-moment orchestration of themes, impressions, and cues. (Pine and Gilmore, 1999, p197)*

Applying the above approach to this thesis, the role of the director would be played by the consultant and the actors would be client contacts. The aspirations of the actors would be equivalent to client perceived value. In making such an analogy there is a danger of over simplification. The main weakness of the theatre director analogy is that consultants often have relatively little power to require actions by clients, even if such an approach would be desirable. The transformation processes required to achieve high level value in terms of Pine and Gilmore's (1999, p201) analysis relate very well to consultancy, which does not fit the conventional service delivery approach. The transformation processes are as follows:

- *Determining new aims*
- *Guiding the individual*
- *Strengthening resolve*
- *Persevering with the aspirant (Pine and Gilmore 1999, p201)*

In this thesis the value elements associated with experiences can be viewed as a means of achieving transformational value to a client. The transformation is indicated in the outcome value of experiences. Outcome value is expressed in terms of sustained changes to a client's perceptions with an implied satisfaction in the process which brought about these changes.

## **Research aims**

This thesis aims to provide both a contribution to quality management theory in professional services and a practical diagnostic tool for use by professional service providers. The latter should incorporate a generalisable conceptual model of client perceived value applied to consultancy and other professional relationships. The thesis also aims to make a contribution to the practice of quality management system consultancy. While the management of convergent variation is well established in quality management theory, a comprehensive methodology for achieving quality through managing divergent variation, proposed by Deming (1993), Thomas (1995) and Seddon (1997), is less established. This thesis aims to make a contribution to the theory and practice of this process, in the context of client-consultant relationships. The outputs of the thesis should include recommendations that will help both clients and professional service providers to gain improved value from professional service assignments.

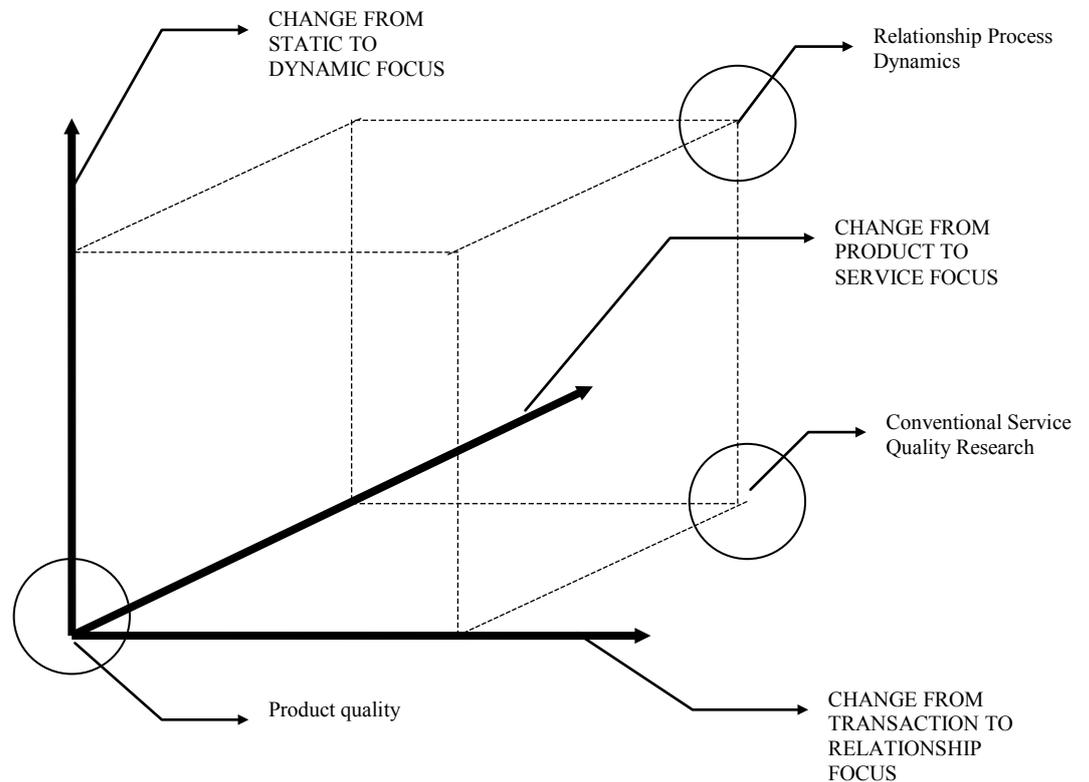
## **Research setting**

This thesis draws on academic research in three main areas: First, service quality research which has developed models through which to study the dimensions of quality required to satisfy a customer within a service transaction (Ghobadian *et al*, 1994; Zeithaml *et al*, 1990; Vroman *et al*, 1994; Patterson *et al*, 1997; Groth and Dye, 1999). Secondly, consultancy theory which, while being generally practitioner-based rather than academic, provides some well established stages through which to analyse a consultancy process (Blake and Mouton, 1983; Block, 1981; Kubr, 1996; Wilson, 1996). Thirdly, relationship marketing theory, which has identified the achievement of client perceived value as a critical element in the development of the relationship between service providers and their clients. This research has primarily been concerned with the long-term commercial relationship between two organisations over a series of assignments or projects (Halinen, 1997; Hakansson, 1995; Storbacka *et al*, 1994; Payne, 1995; Juttner *et al*, 1994).

A service transaction between an ISO 9000 consultant and client contact usually takes place within the development of a one to one relationship. For this reason, concepts from developmental communication theory and counselling theory have been applied in this thesis to enable empirical research data to be modeled at the assignment episode level as well as the assignment process and account development levels (Lang *et al*, 1990; Fogel, 1993).

## Thesis rationale

**Figure 0-1** represents an integrated view of the direction of quality management theory, proposed in this thesis. It is argued that the dynamic investigation of the client–professional service practitioner relationship, in this thesis, is complementary to the way in which quality management is developing. **Figure 0-1** makes use of the term relationship process dynamics to categorise the approach of this thesis.



**Figure 0-1**

**Quality represented as a dynamic relationship development process**

The time dimension involved in an ongoing client / customer relationship is implicit in the underlying goal of relationship marketing, to improve client / customer retention (Halinen, 1997; Sheaves, 1996; Storbacka *et al*, 1994; Payne, 1995). The dynamic dimension in **Figure 0-1** does not refer to linear time but rather, to the cyclic effects of repeated meetings within the relationship process. It is thus assignment relationship time viewed from a perspective of client perceived value generation. Both cumulative effects of repeated behaviour and key events, which create significant perceptions, need to be addressed within a model or system of perceived relationship value. Furthermore a reduction of the dynamic dimension to number of meetings, their duration or the duration of a relationship, while indirectly relevant, does not sufficiently address the way in which perceived value develops. This is particularly true of professional services where services are often charged by the hour or day, producing a tension between the amount of time devoted to cultivating a relationship and the perceived value of the relationship.

Marion Milner, c1937 (Field,1986, p187), a psychologist writing in the 1930s, reflected on the need to get things done, in contrast to perceiving experiences as a force for change in their own right. She (Field,1986, p222) proposed that understanding grows from images in the form of pictures and metaphors.

*“To wait quietly and watch for images, for those pictures and metaphors that the mind itself threw up, this seemed to be the way that understanding grew - if only I could remember to do it - the way to escape from glib ping-pong of argument, from knowing in theory what ought to be done but not being able to do it, from the divorce between thought and action, from sterile intellectuality”. (Field, 1986, p222)*

It is proposed that both managers and consultants need to be offered such images to help them to translate the findings of academic research into practice. It is suggested that a dynamic model of client perceived value should be assessed against this criterion.

# Chapter One

## EMPIRICAL RESEARCH DESIGN

### Objective

The objective of this chapter is to outline the methods involved in the different strands of research carried out for this thesis. This includes an overview of the contribution of the subsequent chapters to the research process. Problems faced by a consultant researcher, in collecting case study evidence, are addressed.

### Summary

Three distinct strands of empirical research are applied. These are a skills questionnaire, a key incident survey carried out in conjunction with the skills questionnaire and supporting case studies carried out by the author acting as a consultant researcher. Particular emphasis is given to the role of a consultant researcher, it being argued in this thesis that an action research process cannot be divorced from the consultancy process that is being researched. Ethical concerns of practitioner research are also discussed. The skills questionnaire was designed to explore relationships between consultancy skills and styles, based on a literature analysis of the consultancy process described in **Chapter Four**.

## **Research approach**

Both Strauss and Corbin (1990, p37) and Robson (1993, p43) suggest that more than one research question should be asked. This thesis involves a broad dynamic analysis of the reality of a client consultant relationship, embracing the multiplicity of factors that result in a client's emotional perception of value. Barlow *et al* (2000) make it clear that the management of emotional value cannot be reduced to measurable dimensions of satisfaction. They found that the complexity of perceptions of value increase when service relationships involve long periods of time spent between parties, as is the case for consultancy (Barlow *et al* 2000, p254). Therefore, this thesis, while including a statistical analysis of skills questionnaire responses, relies largely on key incident data provided by surveyed clients, together with consultancy case studies, to validate the proposed model of client perceived value, value generation system and practitioner tools (**Chapter Nine**).

## **Research methodology**

While limited quantitative methods have been applied to questionnaire responses, this study has a qualitative orientation. The semantic paradox that quality management theory has largely been concerned with quantifying perceived qualities has been a key stimulus to this research. Robson (1993, p303) argues that the distinction between the use of qualitative and quantitative methods should be based purely on the nature of the data obtained. Qualitative methods are generally associated with building theory inductively from data, whereas quantitative methods are usually employed to test theories deductively. However, both Strauss and Corbin (1990, p148) and Edwards *et al* (1994, p9) warn against simply categorising the deductive versus inductive considerations of research with quantitative versus qualitative methods and suggest that the boundaries are blurred. The need to analyse data which relate to group interactions can indicate a need for a qualitative approach when observed reality is more complicated than the mathematical models on which common quantitative methods are based. The emotional elements of client perceived value in professional relationships are complex, justifying the use of qualitative methods in this thesis (Barlow *et al*, 2000, p254, Bryman 1988). This research aims to reveal links between relationship process variables through qualitative evidence.

Three different strands of empirical research were undertaken:

- a) Data were generated from consultancy records resulting from meetings and working documents supported by structured reflections on personal interactions or ‘consensual relationship frames’ (Fogel, 1993, p36), completed shortly after the event;
- b) A skills questionnaire and key incident satisfaction survey were carried out in order to achieve ‘triangulation’, and provide an objective, comprehensive client perspective to the research, as Edwards *et al* (1994, p46) suggest to overcome the “soft subjectivity” of a personal reflective view.
- c) consultancy assignments provided the case study contexts in which to develop and test theories generated largely inductively from both academic (Strauss and Corbin, 1990, p52) and field data, relying on professional experience to make the analysis sensitive to reality;

Literature research and ISO 9000 consultancy case study data were used to develop a theoretical framework through which to approach the concept of quality in consultancy client relationships. Literature (Taylor, 1995, p51) indicated that a survey taken at random from companies that were registered to ISO 9000 would include a large proportion of businesses that had experienced ISO 9000 consultancy assignments. A pilot survey indicated that questionnaires would have to be short and easy to complete in order to achieve an acceptable response rate.

A questionnaire was sent to 2000 companies that were registered to ISO 9000. The sampled companies were selected from UK organisations listed on the Department of Trade and Industry Quality Assurance Register, which lists all ISO 9000 registered organisations (DTI QA Register, September, 1997). One of the first ten firms listed was selected at random, then every twentieth UK firm was selected from the register to give a representative sample. A useful response was received from 174 organisations (9% response rate). The low response rate, in part, resulted from the need for questionnaires to be completed by individuals who had worked with a consultant as the main contact for an ISO 9000 consultancy assignment. The information required could not be provided by other members of an organisation. This did mean that the responses from those individuals who replied were very focused and detailed. Examples of satisfying and dissatisfying incidents, given by respondents, were particularly informative. Difficulty in identifying appropriate individuals to respond to the survey was a factor in deciding not to send reminders or make follow up calls to organisations surveyed. Another factor was limited resources compared with expected results. It could not be assumed that all those surveyed had used consultants or that the individuals involved were available to complete the survey. One respondent, for example, had left the relevant organisation, but had been given a copy of the questionnaire.

The questionnaire survey is reproduced as **Appendix 1**. The aim of the skills questionnaire was to determine relationships between consultancy skills, assignment and episode process stages, consultancy style and size of company. The questions

concerning process stages and consulting skills were developed from Lang *et al* (1990), whose work is discussed as part of a review of consultancy process literature in **Chapter Four**. The underlying basis of the skills questionnaire is that the cumulative overall perception of a consultancy assignment is primarily related to the amount of times that relevant skills are displayed by a consultant. Clients' perceptions of particularly important skills are also addressed in order to gain an understanding of the weightings given to consultancy skills by clients.

The key incident survey was mailed with the skills questionnaire (**Appendix 1**). Recipients were asked to provide details of episodes where they had been particularly satisfied or dissatisfied with the service provided by a consultant at any stage of an ISO 9000 consultancy assignment. Responses from the key incident survey were used to develop a model of client perceived value (**Chapter Six**), which links client perceptions of consultancy value to relationship process stages. The model is intended to benefit both clients and consultants in monitoring the progress of client-consultant relationships. While aspects of the questionnaire lend themselves to a quantitative research approach, the development of the model of client perceived value was primarily a deductive exercise, involving the classification and grouping of key incident responses. In grounded theory, "data collection, analysis and theory stand in reciprocal relationship with each other." (Strauss and Corbin, 1990, p23). Data gathering is continued until the saturation of conceptual categories has been achieved (Strauss and Corbin 1990, p193). It is argued that the response data presented in **Chapter Five** reveals a sufficient breadth of concepts to be considered

in saturation. It is suggested that any new points resulting from an increased sample size, would be likely to fit one of the proposed elements of client perceived value. The danger of over-reliance on this premise is addressed by testing the findings against both relevant literature (**Chapter Six**) and detailed case studies (**Chapters Seven and Eight**).

Grounded theory provides a conceptual basis for analysing data and building theory in relation to the above research approaches. Strauss and Corbin (1990, p64) emphasise the need to structure the process of gathering data around concepts, avoiding unnecessary description, which cannot be applied to the development of theory. They emphasise the importance of a researcher's personal experience in achieving theoretical sensitivity to the complex realities underlying observed actions (Strauss and Corbin 1990, p41). They recognise that all the complex realities of a process cannot be accounted for and that an appropriate "*sense of flow of events*" has to be provided to a reader (Strauss and Corbin 1990, p47). This suggests that the concepts and the related collection of evidence have to be prioritised without losing sensitivity and depth of exploration. The criteria of "*fit, understanding, generality and control*" can be applied to judge the applicability of a theory (Strauss and Corbin 1990, p23). Thus it should fit the reality of the area being researched, be comprehensible, conceptually applicable to a variety of contexts and be useful in terms of the guidance and control of actions.

## **An action research methodology applied to consultancy case studies**

A consultancy context requires research to have a practical focus on developing the ability to help the client, in addition to developing theory. Edgar Schein (1987, p21) describes process consultation as “a general theory of helping”. This involves an approach, which aims to help clients to understand their own organisational culture and stimulate learning and change, where the consultant acts in a ‘hands off’ catalytic manner (Schein, 1987). Ormerod (1996) identifies some of the problems inherent in trying to combine management consultancy and research. The main problems relate to the priority of meeting the commercial needs of clients, while collecting sufficient evidence to support theoretical reflections which will stand up to criticism. He identifies the root of the problem as the difference in culture between industry and academia. Schein (1987, p64) questions whether process consultation can be carried out across cultural boundaries. This could be relevant to reporting on consultancy carried out in one culture to readers in another. The task of the consultant researcher is to translate action in the work-based culture into the language of the theoretician’s frame of reference. Both Ormerod (1996) and Schein (1987) recognise the relevance of action research to consultancy. Schein (1987, p148) sees action research as reflecting the idea that human systems can only be understood through the process of trying to change them. Action research or action learning is described by Scott Inglis (1994) as a highly structured process for group learning, involving set roles and processes to develop learning through the addition of relevant ‘insightful’ questions

to ‘programmed knowledge’. Edwards *et al* (1994, pp53-56) view action research in a more flexible way being generally concerned with cycles of reflection and action which can be linked to case studies. They write of the scope for creativity and inventiveness in action research and recognise that methods are constantly being adapted as practitioners undertake research in a range of new professional contexts (Edwards *et al*, 1994, p69).

Cohen and Manion (1989, p229) describe a tension between the need for all factors to be taken into account for action and the need for research to focus on a defined problem. While flexibility and adaptability are important, it is necessary to limit the scope of research to particular concepts within the complex consultancy process.

Rapoport (1970) identified three dilemmas involved in action research:

- a) ethical dilemmas, which relate to conflicting commercial, political and academic priorities;
- b) goal dilemmas, which arise from contention between client needs and academic objectives;
- c) initiatives, which relate to the emergent problems and personal reactions encountered in the action research process.

According to Edwards *et al* (1994):

*“seeking objectivity is less of an issue for action researchers than for other researchers”.*  
(Edwards *et al*, 1994, p57)

They justify this through the centrality of the researcher’s action to the research process and the importance of his or her values and perceptions to the evaluation process. This is critical to this thesis as data gathering is focused on the perceptions of clients’ actions viewed from the perspective of a consultant researcher, in addition to data gathered on clients’ explicit perceptions of key incidents. An analogy can be made with a single teacher as action researcher, described as follows by Cohen and Manion (1989):

*“both practitioner and researcher is one and will integrate the practical and theoretical orientations within himself”.* (Cohen and Manion, 1989, p231)

A reflective diary was used as a source of data for this thesis, together with more structured assignment-related methods of recording observations and actions.

Edwards *et al* (1994, p57) suggest the use of a diary emphasising the need to record, analyse and then make generalisations from the data. Consultancy project based research naturally lends itself to a case study approach. Edwards *et al* (1994, pp 48-49) indicate that case study methodologies have ethnographic origins where research is based on the observation of actions. They describe how an ethnographic approach can be applied, involving a series of progressively refined attempts to obtain data. It is suggested (Edwards *et al*, 1994, p44-45) that cases should be used to deepen other forms of research or make comparisons with other cases to explore complex sets of interrelationships. Ideally this would involve a longitudinal analysis of consultancy projects over several years (Edwards *et al*, 1994, p31), although practical time constraints made this impossible for this thesis. Robson (1993, p161) emphasises that

the purpose of multiple case studies is not to increase the sample size but to replicate the research in order to develop and test methods and theories. Case study replication helps to clarify the scope and thus the generalisability of research findings. An analysis of case study findings is given in **Chapter Eight**.

## **Ethical issues faced by a consultant researcher**

Dependence on the perceptions and methodologies of the consultant researcher present some serious ethical problems, which need to be addressed. While writers accept the purity of a researcher acting as a covert participant observer, in that actions can be viewed in a natural setting without consideration of an ‘objective’ outsider, the covert aspect is not encouraged. Robson (1993, p33) regards “involving people without their knowledge or consent” as a questionable practice in social research.

Edwards *et al* (1994) also make the point clearly:

*“Don’t commit yourself to gathering data from sources which haven’t yet agreed to help you or might be upset by your inquires”. (Edwards et al, 1994, p71)*

A practising consultant could not afford to upset a client or turn down an assignment because he or she thought that they would not be pleased to be the subject of the consultant’s research. In the analogy between a consultant researcher and a teacher given previously, there is no mention of ethical concerns as to the extent to which pupils’ or parents’ agreement should be sought before a teacher can apply action research methods (Cohen and Manion, 1989, p231). In the same way that pupils and parents’ concerns are likely to focus on the effectiveness of the resulting teaching practices, consultancy clients are concerned with the fulfilment of consultancy project

objectives and commercial considerations such as confidentiality and company image rather than data ownership. An element of the consultancy process can be viewed as being owned by the consultant. It is difficult to judge the extent to which clients need to be informed when research is based on the consultant's notes and client confidentiality is maintained. Edwards *et al* (1994, p13) write that a primary ethical concern should be that:

*“no individual or group should be hurt or damaged by your data collection methods or by your final report”. (Edwards et al 1994, p13)*

As such, an ethical approach would preclude the use of data gathering techniques such as audio taping, or recording attributable quotations without a client's permission, regardless of any legal implications. In practice the main consultancy client contacts involved in the case study research for this thesis were informally made aware of the consultant's research and all cases were anonymised. As confidentiality is not threatened by the research, nor any individual likely to be hurt, a formal agreement was not considered necessary.

The ethical issues involved in identifying ownership of data relating to consultant and client perceptions cannot be divorced from the validity of qualitative research data. The research approach inherent in much of the case study research applied in this thesis is based on the validity of a consultant researcher's ability to interpret client perceptions from actions, records and observations. This is in recognition that both client and consultant reflect and create mutually dependent perceptions through the dialogue inherent in a consultancy relationship. Robson (1993, p58) identifies the need to accept that perceptions are created and not passive facts. Consultancy

involves empathy with regard to the creation of client perceptions to such an extent that any attempt objectively to determine client perceptions at a point in time, for example by surveys, may invalidate the professional development of an assignment. For this reason the use of questionnaires was limited to a minority of the case study client contacts as indicated in **Chapter Seven**.

Milner, c1934 (Field, 1981), in developing her highly personal approach to research based on her own reflections, came to the conclusion that:

*“preconceived ideas about ‘thought’ and ‘facts’ were quite inadequate. Slowly I realized that the facts were not separate things which were there for anyone to pick up, but an ever-changing pattern against a boundless background of the unknown, an immense kaleidoscope changing constantly according to the different ways you looked at it.” (Field, 1981, p105).*

She wrote that facts were:

*“things which changed completely according to what one said about them, or the way one looked” (Field, 1981, p106).*

In his analysis of co-regulation in the development of relationships, Fogel (1993) writes that:

*“Information in continuous systems is relational, open, not observable except in its effects on action.” (Fogel, 1993, p66)*

It is argued that information about a client’s perceptions can be viewed in this way. Another concern is the limitation of words to explain complex actions. Hassard and Parker (1993, p21) explain how words have multiple meanings in different contexts and can only be defined in terms of other words, creating a cycle of diluted meaning. This is relevant to terms such as ‘quality’ and ‘value’, which have to be used in the context of client perceptions and academic definitions.

## **The consultant researcher as part of a relationship system**

The term primary client contact refers to an individual with whom the consultant has to develop a working relationship over a series of episodes or meetings. This differs from Schein's (1987) use of the term in which he considers the primary client to be the individual with the budget for the fee. According to Halinen (1997):

*“Personal relationships between the contact persons in interacting firms create the most elementary part of a relationships infrastructure.” (Halinen, 1997, p209)*

The rationale for the approach taken is that, in contrast to the multi assignment, multi person relationships studied by Halinen (1997), ISO 9000 projects are predominantly carried out by a single consultant acting in a relationship with a key client contact. While the importance of other client contacts is recognised, it is argued that these relationships can also be viewed from the perspective of the primary personal relationship within the assignment process. Neither Halinen's (1997) study nor the literatures of consultancy or relationship marketing have addressed the process of personal relationship development within an assignment in sufficient detail to be of practical support to a consultant. Research into the selection and use of management consultants by MacDonald (2000) clearly indicates that clients are concerned with the characteristics of the individual consultant hired rather than the consultancy organisation. Both questionnaire feedback and case studies demonstrate that an ISO 9000 consultant's skills and influence are primarily exercised within an organisation, via the channel of a key client contact, typically a project manager. The success of an ISO 9000 project depends upon the ability of the consultant to develop a sufficient

depth of knowledge within that individual to manage the various tasks required to achieve the project aims.

The research approach involves the consultant practitioner in a relationship system, designed to generate client perceived value. The system can be seen as indistinguishable from the process of enquiry (Checkland *et al*, 1990, pp275-277) using a form of reflection in action through soft systems methodology. This applies a cyclic process of enquiry to the creation of plausible conceptual models, used to describe perceived reality. Soft systems methodology should not be viewed as a literal or static representation of perceived reality, in all its complexity, which may or may not be systemic. The context of this thesis is the pursuit of client perceived value, whilst developing a client's quality system, which is, itself, a conceptual model. Soft systems methodology requires the identification of a declared perspective or world view (Checkland *et al*, p25, 1990). In terms of soft systems methodology, this study involves a systemic process of enquiry into the perceived reality of client perceived value, carried out within a concurrent process of enquiry into the perceived reality of a client's ISO 9000 quality system. In this practical context a client's perceived reality is not a philosophical consideration, but an exploration with the consultant of the commercial opportunities provided through the two concurrent methodologies. Indeed a distinction between the two processes of enquiry would have little practical value to a client, but could have to the consultant researcher concerned with developing generalisable methodologies. Drawing upon Checkland *et al's* (1990, pp18-27) analysis of systems theory, it is suggested that the main failing of

ISO 9000 is that it is conventionally viewed from a hard system perspective, which would suggest that a quality system is, in itself, a perceived reality achievable through the application of a standard method, independent of individuals' changing perspectives. The contention in this study is that not only the consultancy process involved in developing an ISO 9000 quality system, but also the operational system itself, has value, only when viewed as a soft system, being dependent upon dynamic and systemic interaction. That is through attention to methodology as opposed to method. Checkland *et al* (1990) are careful to describe their approach as a methodology, dependent upon the user, rather than a universal method. Unlike a methodology, a method can be seen as a prescriptive, rigid set of instructions. The process of exploring customer perceived value is integral to both the identification of value and the realisation of value within a relationship.

## **Conclusions**

The different strands of empirical and literature research in this thesis can be seen as complementary views of a relationship system involving the consultant researcher and the research subjects (client contacts). The research methodology, resulting data, proposed models and practitioner tools have developed as an integrated system, rather than through a sequential set of questions and answers. The researcher is part of the system, as will be any practitioners who are influenced by the findings of this thesis or who apply the value generation system or practitioner tools proposed in **Chapter Nine**.

# **Chapter Two**

## **A REVIEW OF QUALITY MANAGEMENT LITERATURE**

### **Objective**

The objective of this chapter is to critically review quality management literature with regard to its applicability to the relationship between a professional service provider and a client.

### **Summary**

In order to make a contribution to the theory and practice of quality management, this chapter addresses different approaches in literatures. The main areas of quality management literature relevant to professional service relationships are reviewed as follows:

- The historical development of quality management;
- Definitions of quality;
- Dimensions of quality;
- Human factors and organisational culture;
- Wider social value;
- Continuous improvement and organisational learning;

- A relationship marketing approach to quality management;
- A rationale for addressing consultancy client perceived value through client satisfaction.

## **The historical development of quality management**

Quality management literature is viewed from a broad perspective in this chapter.

Quality systems, equivalent to ISO 9000, have played an important role in the practice of quality management and a relatively minor role in terms of literatures and quality management theory. ISO 9000 is particularly relevant to this thesis and is reviewed in detail in **Chapter Three**. The historical development of quality theory is identified by Vroman & Luchsinger (1994) to have moved through the following phases:

Inspecting-in Quality;

Building-in Quality;

Statistical Quality Control;

Costs of Quality;

Total Quality Management;

Reliability and Zero Defects;

Strategic Quality.

They identify customer service and organisational quality as the next themes (Vroman & Luchsinger, 1994, p51). With the exception of inspecting-in quality, methodologies addressing all these themes are widely offered to businesses as a means of achieving improvements in quality. The gap between the increasing scope and aspirations of quality theory in comparison with operational realities has led to confusion and disillusionment. Thomas (1995) suggests that the word quality is becoming increasingly diluted as a result of excessive use of slogans and exhortation without any depth of understanding of the concepts involved (Thomas, 1995, p12). Quality theory has been developed to serve the needs of large manufacturing, and latterly large service businesses (Cohen *et al*, 1996, p477). This presents a further barrier to its general applicability to small businesses and professional services. Such businesses may believe, with justification, that the concepts and methodologies associated with, for example, TQM and Business Process Re-engineering, may have relatively little relevance to their businesses.

Quality management theory has moved into the realm of competitive strategy, customer service and organisational theory. In an increasingly dynamic market there is a danger that the importance of quality management could be subsumed by strategic and marketing considerations. Process-focused quality methodologies depend upon assumptions and specified inputs for their economic justification. Historically stable market conditions have created the environment within which quality management theory developed, particularly in automotive manufacturing. Increasingly the management of variation in demand is becoming more important

than the management of variation in supply. The management of demand and customer relationships would conventionally be associated with marketing as opposed to quality management. The recognition that quality is dependent upon initial assumptions generated by an organisation's external environment brings about statements such as Oakland's (1993) of the need to break out from:

“the obsession with inward scrutiny which bedevils quality”.  
(Oakland, 1993, p18).

Despite this recognition, Oakland's (1993) approach assumes that accurately determined translations of marketing briefs into quality specifications can be a practical basis for the effectiveness of all subsequent quality methodologies (Oakland, 1993, p17; Besterfield, 1990, pp4-6; Teboul, 1991, pp138-139). It is the inappropriateness of this assumption, in relation to professional services, that stimulates the introduction of the term ‘customer perceived value’ in this thesis.

Much of the quality management literature suggests that quality theory is most comfortable addressing defined outputs (customer requirements) and business goals (strategy). Business processes can then be controlled to bring about measurable improvements and cost savings. The term customer perceived value is explored both as a potential definition of quality and as a basis for developing a concept of quality that is dynamic in terms of changing customer requirements and business goals.

Customer perceived value is a term which fits the aspirations of both quality theorists and businesses. Sheehy (1988) anticipated that quality would move “*beyond traditional quality definitions to customer perceived value*” (Sheehy, 1988, p169). He justified this by stressing the increasing importance of customer perceptions relative

to tangible quality attributes. Both Thomas (1995, p31) and Townsend (1995), stress that quality is a function of customer perceptions. Sheehy (1988) uses the term in an attempt to shift focus from the inward organisational focus of conventional quality management, to an outward market focus inspired by Peters *et al* (1985). The implication is that conventional definitions of quality do not adequately address the complex human factors and service relationships that influence customers' perceptions of quality.

## **Definitions of quality**

**Professional service quality is defined as the cumulative effect of a client's perceptions of value on the reputation of a service provider.** Quality has conventionally been approached through closed system models applied to measurable specifications translated from marketing briefs. A customer perceived value relationship based approach involves open system considerations where aims and specifications can change over time. Definitions of quality vary from Peters' 'delighting the customer' (Peters *et al* 1985) to Crosby's which can be interpreted as 'conformance to specified customer requirements' (Teboul, 1991, pp44-45; Oakland, 1993, p5). Delighting the customer comes from an emphasis on the personal interface involved in customer service, whereas conformance to specification has its origins in a product design context. It could be argued that neither approach supports a practical concept of quality suitable for professional services. Customer delight may have no value, for example free internet services or excessively generous promotional gifts

such as free holidays, if initial demand exceeds the predictions on which financial viability is based. Similarly, specifications may be unsuited to the market, for example those for mechanical typewriters. Businesses look for a return on investment by realising the value of customer perceptions in terms of profit margins. The pursuit of customer perceived value is unlikely to result in unnecessarily low prices, because it would not be economically sustainable.

Ghobadian (1994) provides a comprehensive categorisation of definitions of quality:

- 1) Transcendent relating to innate excellence and aesthetics.
- 2) Product led in which quality is defined as measurable attributes or units of relative desirability.
- 3) Process or supply led where quality is defined as the degree of conformance to requirements.
- 4) Customer led focused on satisfying customer requirements.
- 5) Value led definitions defined through cost and price.

Customer perceived value allows aesthetics and excellence to be considered within a customer relationship, along with tangible requirements to the extent that they are specified or considered to have pricing value. Categorising process requirements in terms of value added is sensible in a small business or professional service, as is the need to consider price and cost in relation to turnover as the ultimate measures of performance. Lee and Oakes (1995) criticise value definitions of quality for having an internal focus on cost savings to be achieved by a supplier, rather than the value of potential increased revenue. This would not apply to a customer focused perception

of value. They also identify the problem of measuring customers' expectations. This is only a problem if quality is viewed exclusively as a control methodology, the logic of which is that customer perceptions can be controlled. A concept of quality based on encouraging small businesses to quantify and control customer perceptions could be dangerously limited. While Lee and Oakes (1995) conclude that there are no universally applicable definitions of quality, Besterfield (1990) argues that quality needs to be defined to be managed (Besterfield, 1990, p408). He considers the most common definition to be:

“meeting or exceeding customer expectations” (Besterfield, 1990, p408).

Outside the field of quality management the word quality is commonly used to describe a grade of product or service, which implicitly requires an adjustment in expectations for the specified grade. Parameters are thus set within which to judge the extent that expectations are met. It is proposed that the breadth and multiplicity of meanings ascribed to the word quality make alternative terms more useful to both theory and practice. Merleau-Ponty (1979) indicates the problems incurred with any attempt to define quality beyond a superficial common shared understanding.

“Instead of providing a simple means of delimiting sensations, if we consider it in the experience itself which evidences it, the quality is as rich and mysterious as the object, or indeed the whole spectacle, perceived.” (Merleau-Ponty 1979, p4)

Quality can thus be seen as indistinguishable from the experience of perceiving quality. Concepts such as satisfaction, reputation and value generally have more easily understood and precise meanings in a commercial context. For this reason these are the terms which are preferred.

## **The dimensions of quality**

Besterfield (1990) prefers the potentially measurable word 'reputation' to Garvin's (1988) use of the less measurable term 'perception' in their otherwise similar definitions of quality dimensions. The dimensions identified by these authors differ in only this one respect, which suggests that they have either both missed an important dimension or that they have chosen different terms to describe comparable findings. The term reputation has a retrospective and cumulative focus, which is commercially more relevant than the relatively subjective concept of perception at a transient point in time. In this respect reputation is viewed, in the context of providing professional services, as the ultimate or lasting accumulation of a customer's perceptions of a service. All the other dimensions of quality can be viewed as being subsumed by the accumulation of customer perceptions to create a perceived reputation of a service provider. The other dimensions of quality proposed by these authors are 'performance', 'features', 'conformance', 'reliability', 'durability', 'service', 'response' and 'aesthetics' (Besterfield 1990, p408; Garvin, 1988, pp49-60).

Dean & Evans (1994) identify the above dimensions of quality as product related and go on to propose eight dimensions of service quality. As with product dimensions, some of the service dimensions of quality, such as 'courtesy', 'accessibility' and 'responsiveness to unpredictable events' are potentially less quantifiable than others. The remaining five dimensions are 'time (waiting)', 'timeliness (meeting promises)', 'completeness', 'accuracy (right first time)' and 'consistency' (Dean and Evans,

1994, pp8-10). All of the above product and service dimensions need to be considered to some degree in satisfying a contract whether or not a product is provided. This is in recognition of Peters' belief that the concept of a pure commodity is becoming increasingly inappropriate to businesses as ephemeral, fickle, market fashions and service requirements dominate (Peters, 1994, pp246-249; Peters *et al*, 1985, p51). Thomas (1995) identifies the human dimensions of quality as cultural 'assumptions', 'norms' and 'practices' and, as he stresses, not training and development issues associated with human resource management (Thomas, 1995, pXIV). Elements of these dimensions, together with the above, are relevant to differing degrees in any attempt to identify customer perceived value. A complex cultural system is thus required to adequately address the dimensions of quality. This system should include the critical and complex area of identifying potential direct and indirect customers (Thomas, 1995, pp18-24).

## **Revenue and cost**

Quality theory has not been subjected to the rigours of economic or psychological theory. Commercial success, for businesses which have adopted elements of quality theory, has been sufficient validation. This lack of a theoretical base makes conventional concepts of quality even more dangerous in relation to small businesses, given that techniques tend to be developed in large businesses and may not be transferable. As demonstrated by Juran and Gryna (1993), quality has two aspects. These are cost and revenue (Juran and Gryna, 1993, p41). The revenue aspect has

largely been ignored, remaining the province of marketing and pricing theory. While large businesses have typically had massive potential cost savings, this is not the case in many small businesses. Vauxhall UK's strategy (Walters, 1996) to maintain sales and reduce costs, for example, is unlikely to be viable for some small service businesses, or those in the IT sector which have business plans that depend upon growth. Bowrick (1992), in a rare analysis of the economics of quality, indicates that the price effects of quality are far more significant than conventional costs (Bowrick, 1992, p190). It is recognised that generalisations about the exact revenue-to-cost split are limited due to the diversity of businesses. In describing value as the customer's perception of the entire life of the purchase, Berry (1991) distinguishes between price and value with respect to time. Berry (1991, p217) writes that price is a short-term consideration. It is suggested that a sustainable price needs to be considered in order to reflect value over time.

In the context of professional services, the long-term reputation of a service provider can be viewed as an indicator of client perceived value, which would not be subject to the short-term effects of pricing. Bounds *et al* (1994), in considering the concept of value, expand on the equation of value with price to express value as benefits minus sacrifices in the context of relationships (Bounds *et al*, 1994, p172). This definition would clearly be directly appropriate in organisations that aspire to goals other than commercial profitability. It could also be indirectly relevant to cultural and psychological factors, which influence the pursuit of customer perceived value. Organisational cultural values are routinely addressed as being relevant to the pursuit

of quality (Vroman and Luchsinger, 1994; Teboul, 1991; Oakland, 1993). These authors address value in a direct commercial sense through the concept of value analysis and value chains. Values in the cultural context are accepted as being unquantifiable, yet there is an assumption that commercial value can ultimately be measured through cost and price. Both Vroman and Luchsinger (1994, p151) and Townsend (1995) distinguish between explicit value relating to factual agreement and the implicit value of perceived needs. The role of a business could be interpreted to be the creation of a perception of benefits to a customer, which can be realised at a price. The price compensates a business for its tangible direct costs and intangible sacrifices made in the course of organisational relationships involved in the provision of a service. The difference between price and sacrifices, both tangible and intangible, reflects the competitive advantage or profitability achieved.

Thomas (1995) emphasises that, to address organisational realities, quality management requires approximation and judgement (Thomas, 1995, p116). The concept of customer perceived value helps businesses to direct their quality efforts in the area of revenue generation, this being the area of greatest potential value to them. Concepts such as fitness for purpose can be interpreted in the same way as customer perceived value. However, the term lacks focus on the customer, the importance of managing perceptions or the commercial need to add value to both the supplier and customer's businesses. It is argued that the draw of internal organisational aims is, in practice, strong and that businesses need a constant reminder of the need to view the organisation from a customer's perspective. This position is based on the premise that

the softer human dimensions of quality, expressed through the complex interactions of customer relationships, are the most significant dimensions for a professional service business' ability to provide customer perceived value. This is particularly relevant in comparison with large manufacturing businesses from which quality theory has largely developed.

Given that the revenue generation side of quality and dependent human dimensions of quality are relatively intangible as process control parameters, this leaves the key business measurables as price, turnover and cost. These are the natural system outputs (i.e. variables resulting from cumulative complex interactions). In order to influence these outputs, social and psychological aspects of business need to be addressed such as organisational learning, leadership and the management of culture. This does not mean that, well established quality control and customer service techniques do not have a place, but that they should be applied to clearly defined goals based on customer perceived value. For example, a small manufacturer may be able to solve a recurring customer complaint through the application of some simple statistical process controls. The effect of publicising this achievement, to obtain increased revenue from the customer or potential new customers, may have greater value to the business than direct tangible savings in scrap or rework costs. Similarly the customer perception of a service related questionnaire, whether positive or negative may outweigh the process improvement value of the data received.

## **Human factors and organisational culture**

Quality theory addresses the need to build a quality culture (Teboul, 1991, p110; Oakland, 1993, pp318-360), in a similar manner to which a business strategy and marketing brief are required, as a prerequisite through which process improvement methodologies are justified. In recognition of this, Thomas (1995) writes that:

*“TQM is principally about culture and a culture cannot be prescribed or ‘installed’”  
(Thomas, 1995, p191)*

Peters’ (1992) and Lessem’s (1994) approach to quality through leadership and management of culture are examples of other attempts to clarify the meaning of culture in respect to quality. They both emphasise the importance of organisational learning in order to achieve quality. Cohen *et al* (1996, pp464-471) write that while quality cannot be easily be defined in terms of orthodox economics, it is congenial to the concept of evolutionary learning. Having largely developed independently of academic resources, quality theory and the concept of customer perceived value are practice based. Reed and Hughes (1992) provide an analysis in which organisational learning could be considered without the necessity to separate theory and practice, other than through levels of complexity, as discussed below in relation to Deming’s theory of knowledge.

*“In the postmodern context, the primary ingredient of theory is not its data base but its intelligibility, and the very communication of this intelligibility already establishes grounds for its utility. Theory and practice are indistinguishable.” (Reed and Hughes, 1992, p217)*

The process for investigating and influencing the causes of cultural behaviour are not addressed in depth within quality management literatures. This is left to writers such as Pheysey (1993), Anthony (1994) and Schein (1992) whose concepts of a learning culture have much in common with the desired attributes of a quality culture (Schein,

1992, pp363-373). These writers on organisational theory are not directly associated with quality theory, though Teboul (1991), in writing about the dynamics of quality, refers to Schein in relation to the culture change process. The concept of customer perceived value can be applied, particularly in small or service businesses, by employing conventional quality systems and techniques in a selective manner. This complements a broader approach aimed at developing a learning culture, focused on investigating cultural opportunities and constraints with respect to the provision of customer perceived value. Inter-business relationships can be seen as building blocks of the culture shared by businesses.

## **Wider social value**

A cultural perspective of customer perceived value ultimately has to address the interface between the commonly espoused values of businesses, for which value can be reduced to profitability through sustainable price, and larger social and cultural issues. Quality theory has been utilised as an appropriate pigeon hole for many non-specific social ideologies and concepts (Cohen *et al*, 1996, p474). Wider social issues relate to quality of life, quality of employment, quality of society, environmental quality and service ethics. It could be argued that if a business is considered as part of a larger social system, operating over long periods of time, then all the above social concepts become relevant. This conflicts with the reality for many businesses looking for a short-term payback on investments in an uncertain market.

Initial consideration of the above matters would indicate that a concept of customer perceived value should remain primarily within the scope of a business' manageable commercial operations. Individual businesses may consider social responsibility, human dignity and joy at work to be desirable for their own sakes, regardless of whether these values are associated with a revenue based return on investment or a necessary cost. Organisational learning theorists offer businesses useful insights into the potential of their organisational culture (Argyris, 1978, p8-20; Chawla, 1995, p176). However, the wider social, philosophical and ethical issues addressed by these writers need to be considered from the unique perspective of each organisation's goals. Ethical justifications underlying quality theory are typified by Bounds *et al* (1994), who see their emphasis on serving the long-term interests of stakeholders as:

*"a guiding framework for ethical decision making and social responsibility"*  
(Bounds *et al*, 1994, pXXIII).

Teboul (1991) approaches quality as "*a social and economic solution*" (Teboul, 1991, pp119-126). These authors don't explicitly state the size of stakeholder system they are addressing, the term social responsibility could be interpreted at any level from an individual relationship to an economy. The 'social solution' seems particularly incongruous with a potentially elitist emphasis on achieving quality through promotion and recruiting (Teboul, 1991, p120). Thomas (1995) highlights the problems caused by inequality within organisations (Thomas, 1995, p155-156). Any concept of quality as a social solution would imply even greater obligation to address equality. This realisation is likely to have led Deming to say that the role of government is to provide social equity (Stevens, 1994).

Evangelical theoretical leanings appear to be particularly prevalent with American writers, who seek to equate the socially desirable with the economically desirable, being reluctant, for ideological reasons, to allow for any trade off between the two. For example, Deming is said to have believed that unemployment, rather than being inevitable, is created by management (Bhote, 1994, p153). Quality theories, in attempting to impose pre-conceived ideas of the relationship between an individual and their social environment, are likely to be ineffective or 'inauthentic' for those who have a different personal view, even if they are 'sincerely' pursued. Baxter (1982) highlights the problems caused by 'inauthentic' organisational management, an example being a failed transplantation of some aspects of Japanese work culture into the West.

## **Continuous improvement and organisational learning**

The following analysis uses Deming's 'profound knowledge' as a framework for exploring customer perceived value. Deming's approach has had a major influence on quality theory. He has consistently stressed the strategic importance of quality (Bhote, 1994). Despite this, he is primarily associated with a limited scientific, statistical approach to the quality management of manufacturing processes. His fourteen points are widely quoted, often with only a superficial explanation of some of the more cultural points (Vroman and Luchsinger 1994; Dean and Evans 1994; Oakland 1993). The synthesis of Deming's life-time work into four aspects of

‘profound knowledge’ may offer nothing new to established academic disciplines (Stevens 1994, Bhote 1994). However, it does provide a framework, with sufficient depth and scope, within which to explore the reality of a business’ approach to the theory and practice of quality management, the field which Deming helped create. Deming’s (1993) theory of profound knowledge is viewed in this thesis as an attempt to provide a framework within which to develop a general systems concept of quality analogous to the well known four ‘p’s of marketing theory:- product (service), place (distribution), promotion and price (Wilmshurst, 1984, pp27-28). From a post industrial, relationship marketing perspective, the conventional notion of the four ‘p’s is limited (Brown, 1995, p43). Indeed, Ford *et al* (1998, p156) have interpreted the concepts of product and distribution as product technologies and market technologies respectively in the context of relationship marketing. It is suggested that the broader interpretations of the four ‘p’s of marketing also provided by Wilmshurst (1984, p7), being ‘configuration’, ‘facilitation’, ‘symbolisation’ and ‘valuation’ are applicable to a relationship approach to quality, particularly in professional services.

Deming (1993) identified four elements to his theory of profound knowledge. These are ‘systems’, ‘variation’, ‘psychology’ and ‘theory’. The concept of customer perceived value is addressed below, in respect of each aspect, relating each to the marketing categories ‘configuration’, ‘facilitation’, ‘symbolisation’ and ‘valuation’ respectively (Wilmshurst, 1984, p7).

## **Systems**

Systems are particularly relevant in respect to the more tangible dimensions of customer perceived value associated above with product / service configuration in marketing terminology. A systems approach to the management of business improvement is relevant to all aspects of providing customer perceived value, from market research and customer service to quality management system models such as ISO 9000. Senge (1992) has made a notable contribution to systems with respect to organisational learning. Deming emphasised the need to view a system from the outside in order to understand it (Stevens 1994). He argued that competitive internal markets, quotas and other forms of competition sub-optimize systems. He extended this concept to inter-business and societal co-operation (Dean and Evans, 1994). Both Senge (1992) and Thomas (1995) stress the need to develop intuition, judgement and insight to benefit from a systemic approach, in addition to tangible process controls (Senge, 1992, p335; Thomas, 1995, p116).

## **Variation**

Variation can be associated with place (distribution) and the facilitation of customer perceived value in marketing terminology. Deming (1993) extended the concepts of common cause and special cause variation in statistical process control theory to the management of systems. By over-reacting to the natural variation which exists within any system, or by failing to distinguish between system variation and special, unpredictable events managers can make systems worse (Stevens, 1994; Dean and Evans, 1994). These concepts can be directly applied to business relationships. For

example, failure to distinguish between routine procedures appropriate to providing customer quotations and approaches to special abnormal customer requirements. This concept is particularly relevant at the customer interface where the intangible dimensions of customer perceived value are likely to relate to diverse customer perceptions, while the tangible dimensions would be relatively easy to incorporate into common system routines. This type of variation is referred to as the posture of customer relationships in relationship marketing (Ford *et al*, 1998, p159).

Common cause and special cause variation can be related to levels of culture in respect to shared assumptions which would produce common effects and espoused values which indicate an individual's perception of a communication need resulting from the appreciation of a special requirement (Schein, 1992, pp16-27; Rousseau, 1995, p84). If it is accepted that written procedures, to some extent, address the gap between desired practice and experience (Cohen *et al*, 1996, p15), then this suggests that shared cultural procedures exist which are subject to a negligible degree of variation.

### **Psychology**

The psychological aspect of quality sits most comfortably with the marketing principles of creating customer perceived value through promotion and symbolisation. Psychology theory is outside the scope of this thesis and the following discussion will be brief. Deming (1993) was concerned with the psychological well being of employees, best expressed in the need for respect and dignity. He also

emphasised the need to manage individual psychological diversity (Dean and Evans 1994, Stevens 1994). A focus on customer perceived value identifies the need to address these psychological concerns to the supplier and customer relationship directly as well as indirectly through the employer and customer relationship. The fulfilment of both explicit and implicit contractual promises within a cultural framework is one possible means of exploring such psychological factors (Rousseau, 1995, pp23-54). Thomas (1995) views culture, symbolically, as the psychology of an organisation (Thomas, 1995, p162). This metaphor could be used in the analysis of customer and supplier organisation relationships. Lessem (1994) extends this analogy to the concept of a holographic organisation in which the mindsets of each individual reflect the overall organisational culture (Lessem, 1994, p256). Judd and Winder (1995) have identified five psychological dimensions of quality. These are value sharing, interconnectivity paradigm, relationships / systems, measurement and experience. They have attempted to relate these dimensions to Deming's well known plan, do, check, act cycle. Their psychological dimensions of quality could be useful, in a general sense, to a practical concept of customer perceived value.

### **Theory of knowledge**

The theory of knowledge relates to the valuation and pricing aspects of customer perceived value. Deming (1993) interpreted the importance of theory as a means of establishing why things happen. He stressed that theories are probabilistic and should stimulate further ideas concerning testable cause and effect relationships. (Dean and Evans, 1994; Stevens, 1994). Brown (1995) identifies the way in which data can be

determined by theory as opposed to being antecedent to theory (Brown, 1995, p142). There are elements of this phenomenon in Deming's approach to the avoidance of quotas and his theory that quality naturally brings about profitability. Kaplan & Manners (1972) provide a link between culture and theory by identifying theory as including values, norms, symbols and themes. They identify increasing levels of generality and abstraction in moving from descriptive statements to empirical generalization (repeatable phenomenon) to theoretical generalisation (Kaplan and Manners, 1972, pp13-14). This provides a possible analogy with Schein's (1992) levels of culture:- artifacts, espoused values and deeply held shared assumptions (Schein, 1992, pp16-27). In practical terms a business's theory of knowledge would relate to espoused theories of how marketing strategy, pricing and process cost controls relate to customer perceived value. These espoused theories would be a function of deeper, tacitly shared cultural assumptions made by both the customer and supplier organisation members.

## **A relationship marketing approach to quality**

Halinen (1996, p315), identifies the need to "*view service evaluation in broader terms than merely an assessment of service quality*", as the reason for approaching service quality in professional services from a relationship perspective. Halinen (1996, p319) considers conventional service quality models to be static, failing to address the process aspects of service relationships. Her recognition of the need to develop a dynamic process model of professional relationships, together with the

identification of process client-perceived value have influenced this thesis. Halinen's (1996) study is based on a detailed long-term case study of the relationship between a professional service provider and a client. Gibb *et al* (1991) support the notion that detailed single case studies are a proven way of creating an 'exemplar', "*that is, a story against which researchers can compare their experiences and gain rich theoretical insights*" (Gibb *et al*, 1991, p613). The outcome of Halinen's case study research was to link relationship dimensions of attraction, trust and commitment to perceptions of the service process and consequently service outcomes. Halinen's (1996 and 1997) identification of the need to address the client's perceptions of process performance, service outcome and ultimate service outcome is a key element of this thesis (**Chapters 4 and 6**). However, it is argued that the correlations (Halinen, 1996, p325) she identifies between relationship dimensions, process performance and service outcomes, do not always fit the reality of professional service relationships. This is particularly true of ISO 9000 consultancy, in which a consultant can perform well to help the client achieve the agreed outcome only to find that the commercial environment invalidates the aims of the project. Halinen's (1996 and 1997) research focussed on marketing agencies, for which it could be expected that changed commercial environments could also have an effect on client perceived value, for example, if a brilliant marketing campaign failed due to the unforeseen introduction of a new competitor's product to the market. A focus on a single, or small number of cases risks undetected factors being missed from resulting models. A greater criticism is that the specifics of an individual case can reduce scope for generalisation. It is suggested that Halinen's (1996) linking of relationship

dimensions to client perceptions is such a distraction. It is difficult to identify a universal definition of a relationship or its constituent dimensions. Indeed the term relationship is as prone to misuse as the term quality. The following section explores the use of the term relationship in this thesis.

The benefit of linking consulting practice and relationship marketing theory, is that it provides a frame of reference within which to address the dynamics of perceived quality. To some extent, it is the undefined nature of the relationship concept which liberates it for the advancement of understanding of the human interface between business suppliers and customers.

*“One of the drawbacks that is inherent in much of the literature on relationship marketing is the lack of consideration given to what actually constitutes a relationship”. (Sheaves et al, p216, 1996).*

Sheaves *et al* (1996, p216) identifies the difficulty of conceptualising perceptions of relationships, given that people may have different perceptions of what constitutes a transaction and a relationship. Both Sheaves *et al* (1996, p218) and Halinen (1997, p 209) assert that relationships are primarily created through individuals, which casts further doubt on the benefit of excessive analysis of inter company relationships, despite the attraction of the analogy between inter-personal and inter-company relationships in a general sense. Sheaves *et al* (1996, p238) distinguishes between ‘objective support’ where tangible goods or intangible information, perceived to have value, are exchanged and ‘subjective support’ where the experience of the exchange, rather than its content is perceived to be of value by a customer. The presence of subjective social support is considered, in this thesis, to indicate the presence of a relationship, rather than a transaction. The other indicator of a relationship appears to

be the temporal dimension, that is an expectation of continued or repeated social support. The temporal dimension alone does not indicate a relationship. An expectation of repeated exchanges does not necessarily include any subjective social support.

**A relationship is defined as exchanges between two parties, which involve an element of continued social support.** It should be stated that such support is considered to be mutually co-regulated on a voluntary basis (Sheaves *et al*, 1996, p239). Sheaves *et al* (1996, p238), argue that providing social support reduces uncertainty, improves client self esteem and creates a sense of social connection. It is argued that only the sense of social connection need be considered to be a result of a relationship. Reduced uncertainty and increased self esteem could equally result from a sales transaction, such as the purchase of a new car. Social support, in the context of commercial relationships is considered, by Sheaves *et al* (1996, p238) to involve weak social ties, in contrast to the strong ties between family and friends. A professional service provider can be seen to provide social support to individual clients who may often feel isolated and find it difficult to talk to colleagues free from the political constraints of an organisation. This is particularly relevant where the client contact is the chief executive or owner of a business. Such considerations lend support to the argument for the relevance of skills associated with counselling to the consultant client relationship.

The above working definition of a relationship (exchanges involving mutual support) allows the term to be used to describe all the technical and commercial aspects of professional transactions, as long as an element of social support can be identified. While non-social professional service transactions can be envisaged, it is suggested that ISO 9000 consultancy projects can be viewed as involving some degree of social support, particularly those deemed, by the client to be successful. Both Freeman *et al* (1993) and Halinen (1996) indicate that the social and technical aspects of relationships are entwined. However, it can be assumed that the technical element of a relationship will depend upon the particular service being provided, while the social element can be generalised within a conceptual model of relationship development, for adaptation to specific technical environments.

Vroman and Luchsinger (1994) outline many well known marketing techniques for obtaining customer information which can be used to identify quality specification targets. Quality function deployment is another technique for translating customer requirements into specifications (Bassert, 1991; Oakland, 1993, pp45-53). While most businesses could benefit from the better use of affordable marketing techniques, these largely question-based (espoused theory as opposed to actions) approaches are unlikely to be sufficient to address the cultural depth and complexity of a customer relationship necessary to support the concept of customer perceived value. Oakland (1993) states that, “quality starts with marketing”, meaning the need for marketing specifications (Oakland, 1993, p16). Effective concepts of quality are dependent upon marketing strategy. It is suggested that marketing theory has developed from an

emphasis on selling in a manner similar to that of quality from inspection. Brown (1995) views marketing theory as having suffered from the “seductiveness of quantification” (Brown 1995, p50). He identifies the future of marketing as relating to the whole business including myths, assumptions and relationships. These concepts are clearly in the field of organisational culture. This suggests that an effective concept of customer perceived value should be customer interactive in respect to culture as well as structural interactions within customer and supplier relationships.

The total quality concept has aimed to integrate marketing strategy and quality yet the reality of the balance is focused heavily on the cost of internal processes (Thomas, 1995, p165; Bowrick, 1992, pp185-203). Business process improvement and re-engineering emphasise a process cost focus, while espousing the virtues of a customer focus (Harrington, 1991). There is a place for process management, yet Thomas (1995, pp80-83), Carden (1995) and Stevens (1994) warn of the dangers of insensitivity to the human factors affected by process change and the potential loss of learned or evolved knowledge as a result of crude dramatic restructuring. Freeman *et al* (1993, p29), identify the lack of research into the business-to-business context of services marketing.

*“Although there are numerous examples of ‘how -to-do-it’ articles, this area has been the focus of little empirical work and less yet has been directed to service quality perceptions among clients of business services”. (Freeman et al, 1993, p29),*

Freeman *et al* (1993) explored the applicability of the well known SERVQUAL questionnaire instrument (Berry *et al*, 1985; Zeithaml *et al*, 1990) for measuring service quality, to professional services. They concluded that

*“SERVQUAL as it stands is not an adequate instrument by which to assess the perceived quality of business services” (Freeman et al, 1993).*

The main differences between professional services measurement and that required for conventional service quality were identified to be the following (Freeman *et al*, 1993):

- The concept of timeliness was preferred to that of responsiveness and reliability.
- A need was identified to include a perception of the value for money reflected in the fees for the service.
- Professionalism, was related to the technical skill of the service provider and also the communication processes involved in updating the client and keeping them informed.
- Several other factors were identified under the heading of ‘exceptions’. The examples given all relate to clients’ perceptions of things which should not have occurred. For example, taking on competing firms or making errors in work. It is argued that such factors represent failures to meet.
- There is a need to distinguish between perceptions created by the individual service provider and those constrained by the service providing organisation, such as facilities, opening hours and presumably but not stated, fees.

## **Rationale for addressing consultancy client perceived value through client satisfaction**

Writers concerned with service quality (Zeithaml, *et al*, 1990; Ghobadian *et al*, 1994) have investigated the relationship between expected service and perceived service,

arguing that the difference could be viewed as a measure of service quality. It is suggested that, while attempts at such measurements may be appropriate to short service exchanges, they cannot simply be applied within the development of a longer term service relationship, where expectations and perceptions are continually changing within the co-regulated dynamic of the relationship process. To separate retrospective judgements of client perceived value, upon which commercial actions are made, from the expectations that brought them about is difficult. The concept of expectations is useful in identifying areas of dissatisfaction that reveal implicit minimum expectations and areas of satisfaction that reveal implicit opportunities to exceed expectations.

Patterson *et al* (1997) carried out research which concluded that service value is “*completely mediated through satisfaction*” (Patterson *et al*, 1997, p429) with regard to repeat purchasing behaviour. The relationships between ‘service quality’, perceived value and customer satisfaction are addressed by Storbacka *et al* (1994), within a relationship profitability model. The relevant concepts are defined as follows:

*“Perceived service quality - Customers’ cognitive evaluation of the service across episodes compared with some explicit or implicit comparison standard*

*Perceived sacrifice - Perceived sacrifices (price, other sacrifices) across all service episodes in the relationship compared with some explicit comparison standard*

*Perceived value - Service quality compared with perceived sacrifice*

Customer satisfaction - Customers’ cognitive and affective evaluation based on the personal experience across all service episodes within the relationship” ( Storbacka *et al*, 1994, p149).

An analysis of the above concepts, from the model of Storbacka *et al* (1994), suggests that value is indicated by satisfaction compared with perceived sacrifice. But, a

commercial context involves an implicit element of cost or sacrifice in a client's perception of satisfaction. More importantly, satisfaction is also associated with perceived commercial revenue. The implicit focus on revenue and cost can be linked through commercial payback or profitability, being the ultimate aims of any business activity. Thus, it is suggested that client satisfaction, revealed in key incidents, is a credible indicator of client perceived value. It follows that the inclusion of the concept of service quality and a direct concept of perceived sacrifice are both superfluous to the requirements of a model of client perceived value. However, it is accepted that, while client perceived value is the preferred interpretation of professional service quality in this thesis, other studies use the term quality.

Ghobadian *et al* (1994) proposes the following:

*“The ‘perceived quality’ lies along a continuum. Unacceptable quality lies at one end of the continuum, while ‘ideal quality’ lies at the other end. The points in between represent different gradations of quality.” (Ghobadian et al, 1994, p49)*

She proposes that one point on this continuum is satisfactory quality and goes on to describe the following relationship between concepts:

*“Perceived Quality = Prior Customer expectations + Actual Process Quality + Actual Outcome Quality” (Ghobadian et al, 1994, p49)*

Ghobadian *et al* (1994) does not commit to a particular definition of quality, but includes value-led definitions as one of the alternatives. It could be argued that a direct client-satisfaction-led definition could be equally valid. Thus, in the context of a consultancy assignment, the conceptual relationship can be expressed through the following:

**Client's perceived value of the assignment = Value of client expectations  
+ Value of assignment experiences + Value of assignment outcomes**

Client expectations include prior expectations in addition to those set at assignment contracting stages and subsequent episodes. Formulaic representation of these concepts has been employed for comparison with Ghobadian's model. As indicated above, if concepts such as quality and customer perceived value can be expressed through a degree of satisfaction in a relationship with implicit expectations then the key incident satisfaction survey makes a useful contribution to the measurement of client perceived value. It could be argued that the common use of satisfaction surveys, instead of quality or perceived value surveys, is in itself a conceptual justification for viewing perceived value in terms of satisfaction. A commercial concept of value needs to be represented in financial terms, typically reduced to a number of days' consultancy at a fixed rate. Other than managing the number of days, a consultant does not have many degrees of freedom to manage the financial cost and associated value of an assignment. However, in achieving client perceived satisfaction, the financial value of the project can be fulfilled, as can that of any further assignments developed from the relationship. Client dissatisfaction is likely to reduce the number of days work ultimately carried out by a consultant with a client. This can be through early termination of an assignment or through a missed opportunity for new assignments.

Groth and Dye (1999, p273) propose both utility and psychic variables of client perceived value. The psychic variables consist of the psychological relationship of an individual to him/herself and the psychological relationship of an individual to others. They define perceived value as a measure of the cost associated with a service by a

customer compared with delivered value (Groth and Dye, 1999, p284). The difference between the two concepts indicates a satisfying service bonus or dissatisfying shortfall. Groth and Dye (1999, p277) propose that total customer perceived value is made up of a service act plus the customer perceived quality of the service act. This approach to quality is not thought to be helpful because it is based on the premise that there is an element of service that is an invariable commodity independent of the process of delivering the service. Being primarily concerned with professional services, this thesis adopts a broader definition of quality that embraces all elements of client perceived value. Groth and Dye (1999) define quality in terms of the dimensions and weightings indicated by individual client's definitions of quality. Even the most technical outcome focussed aspects of a professional service, such as whether or not ISO 9000 registration is achieved, is potentially associated with a client's perception of quality. It is argued that the work of Groth and Dye (1999) supports an assertion that the term quality is of limited use to management theory. Groth and Dye's (1999, p277) concept of total perceived value is, in their terms, not directly equivalent to client perceived quality, but it is equivalent to the concept of client perceived value employed in this thesis.

Halinen (1997) draws attention to personal relationships for achieving client satisfaction in professional services:

*"the existence of strong personal relationships between parties to the relationship is likely to lead to satisfaction with the assignment process and with the whole business relationship". (Halinen, 1997, p213)*

Storbacka *et al* (1994) supports the use of client satisfaction as a measure of relationship value. This value is, to some extent, expressed in terms of the revenue to

a consultant from the client. Factors that would not normally be associated with quality, or client satisfaction, could also affect this revenue, for example supply and demand or pricing policy. A client could perceive a relationship with a consultant to have value, without the consultant providing a good service from the perspective of a better informed, objective observer. Schein writes that “*consultancy deals with client’s perceptions*” (Schein, 1987, p55). Obviously, the ultimate aim of improving customer perceived value is to achieve the commercial benefits of increased income for both a service provider and the client.

## **Conclusions**

A SERVQUAL type approach (Berry *et al* 1985; Zeithaml *et al*, 1990) to service quality perceptions, does not sufficiently address the dynamics of relationship development. Not only can exceptions emerge, which need to be addressed in a reactive way, but, key incidents and cumulative perceptions need to be considered, in addition to the process performance, outcomes and ultimate service outcomes identified by Halinen (1996). Indeed, the unpredictable exceptions can provide key incidents, which can result in significant dissatisfaction or satisfaction, depending upon the way in which the incidents are handled. For these reasons, it is argued, the measurement of client perceived value in professional services should primarily be concerned with the dynamic development and conceptual modelling of perceived value rather than lists of the detailed perceptions which emerge from the experiences of individual relationships. It is through the continual monitoring of co-regulated behaviour, within the development of a relationship, that service providers can recognise and influence expectations and perceptions of value. A flexible approach is therefore proposed, in preference to one imposed on a client through a pre-conceived set of policies, which aim to meet a set of static expectations. A further danger of categorising standard client perceptions of value is that opportunities to provide added value within a relationship may be missed.

# **Chapter 3**

## **A LITERATURE REVIEW OF QUALITY SYSTEMS AND ISO 9000**

### **Objective**

While the aims of this thesis are broader than ISO 9000, an objective of the research is to make a contribution to the study of ISO 9000 implementation in practice. The objective of this chapter is to critically evaluate ISO 9000 literature from the perspective of the uniqueness of ISO 9000 consultancy. Such an evaluation is necessary to distinguish the findings of this thesis that are specific to ISO 9000 consultancy from those that are proposed to be generalisable to other professional services.

### **Summary**

This chapter provides an overview of the provenance and spread of quality systems, specifically ISO 9000. The standard is explained and its content is described. A critical comparison between ISO 9000 and Total Quality Management (TQM) is a recurring theme within literature and is used as a framework for discussion. A critique of survey evidence presented by several researchers analyses the main

reasons that companies seek ISO 9000 registration and draws attention to any benefits perceived to result from the process. The evidence strongly indicates that customer pressure to obtain certification is the major factor, rather than any improvements that can be demonstrated to result from registration. ISO 9000 is discussed as a function of scientific management thinking as opposed to an alternative open systems approach. Seddon's (1997) ten criticisms of ISO 9000 are assessed.

## **Definition of ISO 9000**

The term ISO 9000: 1994 is a commonly used umbrella incorporating three published standards and a series of related guidance documents. The three part standard has been replaced by a single standard ISO 9000: 2000 since the empirical work of this thesis was undertaken. The primary document applicable to this thesis is a ten page booklet which has been accepted as a British Standard (BS), a standard of the International Organization of Standardization (ISO) and a European Norm (EN). This primary document BS EN ISO 9001: 1994 is titled:

*“Quality systems model for quality assurance in design, development, production, installation and servicing”.*  
(BS EN ISO 9001: 1994)

The twenty clauses of the standard are structured to address twenty principles of quality assurance. The remaining two standards, ISO 9002 and ISO 9003 are identical to ISO 9001 except that they are published with one or more clauses removed, on the basis that they are not relevant to some organisations. In the case of the commonly used ISO 9002 the design clause is removed. ISO 9003 has several clauses removed and is an enigma in that evidence of any organisation or assessment body making use

of the standard is very difficult to come by (Jackson *et al*, 1995, p51; BS EN ISO 9000-1: 1994). As Allan Sayle (1991) writes:

*“All told, it is hard to envisage an actual application for this ISO 9003 standard or circumstances under which a prudent customer would invoke its use in a written contract”. (Allan Sayle, 1991, p253)*

ISO 9000 is normally viewed in relation to independent assessment and registration.

Jackson *et al* (1995) outline the process of gaining registration as follows:

*“design a quality system which meets the requirements of the Standard (and meets the needs of the individual firm), implement that system - make sure everyone involved is working to it and then have an NACCB approved body assess the system. Providing the assessors consider the system is in conformity with the Standard and they find that it is being followed, the certificate is then yours subject to periodic surveillance and re-assessment.” (Jackson et al, 1995, p159)*

Jackson *et al* (1995, p159) draw attention to the fact that whereas anyone can certify a company to ISO 9000, such a certificate would lack credibility if not accredited.

Certification by an accredited registrar organisation is indicated by a National Accreditation Council for Certification Bodies’ (NACCB) ‘tick and crown’ logo and a registration number which registered companies can advertise on promotional material but not products. Registrar organisations and industry groups publish guides on how to interpret ISO 9000 in different industries. Such guides tend to be very general in their requirements and are only used by assessors when an organisation has specifically opted for their use as part of a registration scheme. Such schemes generally involve the addition of some specific requirements to those of ISO 9000. One such scheme is the Approved Stockist scheme (QGN / 96 005, Issue 1) run by the largest registrar organisation BSI QA, which involves additional source traceability requirements for stockists. The most established sector scheme is TickIT, which requires subscribing organisations to comply with a guide to the application of quality systems to the development, supply and maintenance of software (BS 5750:

Part 13: 1991). TickIT assessments are carried out by assessors who have defined qualifications and experience relating to software (Farmer, 1997, pp186-189). In the defence industry, the NATO defence standards (AQAPS) have developed in parallel with ISO 9000 and now explicitly include all the requirements of ISO 9000 and some additional clauses (AQAP -110, 1995). The concept of taking ISO 9000 as a blueprint to which extra requirements can be added has been extensively adopted in the automotive industry, culminating in QS 9000 (1995), developed by Chrysler, Ford and General Motors, which adds many of the methodologies associated with Total Quality Management to ISO 9000.

## **Provenance and spread of ISO 9000**

The origin of quality management system (QMS) standards lies in the United States munitions industry during the Second World War. Early system specifications were used to standardise inspection methods and factory controls to provide assurance that the output of the munitions factories would conform to contractually agreed standards (Seddon, 1997, p31). The UK Ministry of Defence adopted the US approach to defence procurement and published the precursor to ISO 9000, the 05-21, 05-25 and 05-29 series of Defence Standards for controlling defence subcontractors in the 1960s. The three standards were copied and published for civil use in 1979 as British Standards BS 5750 Parts 1, 2 and 3 (Jackson *et al*, 1995, p24; Griffin, 1996, pp 490-491). In the 1980s the British Government sponsored a Department of Trade and Industry ‘Enterprise Initiative’ which offered subsidies for a range of consultancy

work including BS 5750 implementation. This scheme was highly successful in encouraging civil manufacturing firms to implement quality standards. A number of independent registration bodies, registrars, were accredited through a DTI sponsored controlling body, the NACCB (now United Kingdom Accreditation Service - UKAS) to register companies after passing assessment to defined scopes of registration within accredited industry sectors. There are now at least 50 accredited assessment bodies in the UK alone, some of which focus on specific industry sectors, others being broad based (Munro, 1996; Arnison, 1995). As a result of the success of the DTI 'Enterprise Initiative', BS5750 began to be adopted in the service sector. In addition, industry developed an interest in Japanese management techniques and the TQM movement. In recognition of these developments, BS 5750 was re-issued in 1987 with a greater emphasis on the managerial aspects of quality management. Requirements for a policy statement, adequate training, planning and contract review were clarified (BS 5750: Part 1: 1987).

In 1994, the BS 5750 series of standards was updated and re-issued as the ISO 9000 series. Again attempts had been made by the standards committees to take account of developments in management thinking, emphasising the prevention of problems in preference to their control. Attempts were made to amend the wording of the standard, to move away from the language of its manufacturing origins and make it more applicable to all sizes and types of business including services. Whether these goals were achieved is highly questionable (Holmes, 1995, p400; O'Connor, 1995, p712; Seddon, 1997). By March 1995 at least 95476 officially registered ISO

9000 certificates had been awarded in 86 countries worldwide (Mobil Survey, 1995). The reported geographic share of certificates was: UK - 46.2%; Rest of Europe - 29.1%; North America - 7.6%; Australia - 6.8%; Others - 7.9%. A survey funded by the assessment body SGS Yardsley and conducted by Manchester Business School (SGS Yardsley Survey, 1996) reported that certification had grown by 10000 per year since 1992 in the UK alone, and had doubled every nine months in the rest of Europe since 1993. ISO 9000 has continued to grow, particularly in the USA and Germany (Seddon, 1997, p30; Mobil Survey, 1995, p768).

The creation of QS 9000 by Chrysler, Ford and General Motors as a supplier specification (Geneste, 1996, p484) has added extra impetus to the growth of ISO 9000. QS 9000 involves adding statistical control techniques, cross functional team working and business performance measurements to the requirements of ISO 9000 in an attempt to create a supplier quality system standard. It addresses TQM principles and aspires to stimulate continuous improvement. QS 9000 registered suppliers are often expected to accept contractually agreed cost reductions on a year upon year basis, justified in the belief that expected quality improvements should bring about productivity improvements (Geneste, 1996, pp482-484; Hoyle, 1996, pp473-478; Seddon, 1997, pp94-97). This can easily be interpreted as the cynical manipulation of quality theories for crude short-term economic gain. If the automotive customers had genuine confidence in their specified supplier systems, they would be able to verify the cause and effect relationship between particular activities and cost reductions without threatening the financial stability of suppliers. Larger savings for both the

supplier and customer than those represented by contractual price reductions might then be realised.

Some statistics taken from a promotional guide issued in 1997 by the third largest assessment body in the UK, National Quality Assurance (NQA), provide evidence that ISO 9000 has now spread to most industry sectors and to all sizes of business. NQA has 7000 registered clients, one third of which have fewer than ten employees. They provide third party certification to over one hundred NACCB accredited scopes, that is industry codes. NQA was established in 1988 and their client portfolio can be seen as representative of the spread of ISO 9000 after the largest assessors, BSI QA, and LRQA (Lloyds Register) had monopolised the early waves of medium to large manufacturing businesses who became registered. The published distribution of NQA clients by industry sector (National Quality Assurance, 1997) is as follows:

Transport and distribution 28%

Paper and printing 6%

Professional services 8%

General engineering 24%

Electrotechnical sector 13%

Construction 10%

Manufacturing 8%

Process industries 3%

## **Requirements and structure of a documented quality management system**

Jackson *et al* (1995, p169) consider quality to have moved through four historic stages, each incorporating the preceding stages, with the possible exception of TQM.

The stages are:

- i) inspection;
- ii) quality control;
- iii) quality assurance;
- iv) TQM.

Quality management systems (QMS') and ISO 9000 are associated with quality assurance. TQM is a broad movement which encompasses many concepts and techniques. It is typically associated with continuous learning and improvement. The main debate in relation to quality assurance and ISO 9000 is to what extent these approaches are compatible with TQM. According to Jackson *et al* (1995), the underlying concept of QMS' is that of meeting both explicit and implicit customer requirements. They view any difference between this concept and the TQM inspired concept of delighting customers as "*possibly more semantic than real*" (Jackson *et al*, 1995, p19). They accept that there is an inherent assumption that customer requirements are known. They do not comment on the effect of changing customer requirements throughout the course of a customer-supplier relationship.

An underlying assumption of stability is revealed in Jackson *et al*'s (1995) explanation of how QMS' developed in conjunction with the concept of quality

assurance. Quality control is considered to relate to attempts to overcome reliance on final inspection by feeding back information to parameter settings, set up processes and intermediate inspection stages. Quality control is thus concerned with what is produced. Introducing the concept of quality assurance, Jackson *et al* (1995) go on to write:

“Quality assurance is a radically different approach to quality and moves attention from what is produced to how it is produced”. (Jackson *et al* ,1995, p22)

A QMS attempts to address how all activities, which affect quality, should be performed through procedures within a documented system. The required structure of a documented QMS as required by ISO 9001: 1994 is summarised as follows:

- \* There needs to be a quality policy document as evidence of senior management commitment to quality.
- \* More detailed policies relating to the twenty principles (clauses) of the Standard need to be outlined in a quality manual with reference to detailed procedures.
- \* Documented procedures are required to explain who is responsible for carrying out activities that ‘affect quality’, how they are to be performed and which forms, records and reference documents need to be used.

The system requires that internal quality audits are carried out to ensure that the documented requirements are adhered to. The internal auditing process is then verified through external, third party audit at registration and subsequent surveillance visits. Auditing involves, firstly, establishing that all the clauses of the Standard have been adequately addressed (in the view of the assessor) in the documented structure

of the system, and secondly, through sample evidence, questioning and observation, establishing the degree of compliance with requirements (Jackson *et al*, 1995, p122).

An in-depth analysis of the twenty clauses of ISO 9000 is considered to be unnecessary in this thesis. The following summary (**Table 3-1**) of the clauses is taken from a Department of Trade and Industry (DTI) guide for small firms (1995) and provides a simplified introduction to the concepts involved. Even the wording of this guide illustrates the manufacturing origins of the standard and the difficulty service businesses have in interpreting the language. There is clearly an emphasis on inspection of quality, often interpreted as independent inspection, whereas self inspection is favoured in the TQM approach. In considering the above principles it should be recognised that processes relating to human resource management (other than training), finance and marketing are outside the scope of ISO 9000 (Jackson *et al*, 1995, p51).

<p><u>“Quality policy (4.1.1) - Commitment to quality</u></p> <p><u>Organisation(4.1.2) - People, jobs and resources that maintain and improve quality</u></p> <p><u>Management review (4.1.3) - Keeping your customers and yourselves happy</u></p> <p><u>Quality system (4.2) - Written descriptions of what you do - in the simplest workable form</u></p> <p><u>Quality planning (4.2.3) - How you plan to maintain the quality of your products</u></p> <p><u>Contract review (4.3) - Making sure you understand and can meet customer orders</u></p> <p><u>Design control (4.4) Does not apply to BS EN ISO 9002 or 9003 - Converting customer needs into detailed specifications</u></p> <p><u>Document and data control (4.5) - Giving people the information they need and ensuring it is always up to date</u></p> <p><u>Purchasing (4.6) Does not apply to BS EN ISO 9003 - Making sure your suppliers match your quality and delivery needs</u></p> <p><u>Control of customer-supplied product (4.7) - Checking, looking after, and using material provided by your customers</u></p> <p><u>Product identification and traceability (4.8) - Keeping track of what you are supplying from start to final delivery</u></p> <p><u>Process control (4.9) Does not apply to BS EN ISO 9003 - Planning and controlling work</u></p> <p><u>Inspection and testing (4.10) - Checking quality from receipt of materials to delivery of product or service</u></p> <p><u>Control of inspection, measuring and test equipment (4.11) - Using the right equipment to check your work and making sure it remains accurate</u></p> <p><u>Inspection and test status (4.12) - Identifying what you have already checked as right or wrong</u></p> <p><u>Control of non-conforming product (4.13) - Preventing known faults from reaching your customers</u></p> <p><u>Corrective and preventive action (4.14) - Putting problems right and making sure they do not happen again</u></p> <p><u>Handling, storage, packaging, preservation and delivery (4.15) - Looking after the product</u></p> <p><u>Control of quality records (4.16) - Keeping track of your quality performance</u></p> <p><u>Internal quality audits (4.17) - Confirming that you really do what you say - in every respect</u></p> <p><u>Training (4.18) - Discovering and satisfying your training needs</u></p> <p><u>Servicing (4.19) Does not apply to BS EN ISO 9003 - Controlling after-sales repair and routine servicing</u></p> <p><u>Statistical techniques (4.20) - Using statistics to help control quality and solve problems”</u></p>
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(Taken from DTI Publication, 1995, pp 33-40)

**Table 3-1**

**Simplified breakdown of ISO 9000: 1994 clauses**

## **Reasons for pursuing registration**

One of the main, original, purposes for developing the process by which a QMS was registered by an independent accredited registrar was to avoid costly multiple, second party assessments by customers. This continues to be a reason for pursuing registration to ISO 9000 (Jackson *et al*, 1995, p26). It is generally accepted, however, that the most common reason for registration is the result, or anticipation, of customer pressure (Griffin, 1996, p490; SGS Yardsley Survey, 1996). Jackson *et al* (1995, pp 31-41) identify the following benefits of ISO 9000 registration:

- \* Existing customers are retained and new ones gained as a result of becoming an approved supplier;
- \* marketing benefits resulting from advertising approval logos;
- \* an effective quality system may reduce waste and fire fighting by helping things to be done ‘right first time’;
- \* the system can provide a framework for structuring organisational change;
- \* employees can improve communication and become motivated by sharing in an implementation project.

Jackson *et al* 1995 (pp 42-43) identify the following disadvantages of ISO 9000 registration which may discourage businesses:

- \* Bureaucracy increased by requirements for written records;
- \* the difficulty clients have in maintaining and updating the QMS after having commissioned external consultants to design the system;
- \* inflexibility in that everyone is expected to follow the system at all times.

Fox (1994, p4) is typical of writers who are positive about ISO 9000 in emphasising the benefits of an ‘effective quality system’ as opposed to a typical or even achievable system. Based on an author’s belief in how effectiveness can be achieved and how ISO 9000 can complement TQM principles, then almost any benefits could be argued. Fox lists the following:

- \* More certain customer satisfaction;
- \* more efficient quality management;
- \* better use of resources, especially human resources;
- \* quality improvements;
- \* quality cost savings; and
- \* competitiveness, survival and prosperity.

This list is unusual in that it does not directly address the benefit of meeting a customer requirement by becoming an approved supplier. However, the last point, competitiveness and survival can be indirectly interpreted as including this benefit. It is emphasised that, while it is a requirement of ISO 9000 that acceptable suppliers are recorded, with an implicit requirement to consider the basis of acceptance, it is a myth that acceptable suppliers need to have ISO 9000 themselves. This myth has served the interests of assessors and consultants and generated a cascade of pressure for lower tier suppliers to become registered to ISO 9000 (Seddon, 1997, pp 91-97; BS EN ISO 9001: 1994). It was reported in the Financial Times (FT, 09, September, 1996) that the British Standards Institute (BSI) were taken to task by the Advertising

Standards Authority for ‘extravagant claims’ about the benefits of ISO 9000. The disputed claims were that ISO 9000:

*“improves productivity --- almost always gives an immediate result in terms of efficiency --- pays for itself -- staff morale is better”. (FT, 09, September, 1996)*

The article goes on to suggest that:

*“the selling of quality standards on such lavish promises may turn out to be one of the greatest scams of contemporary corporate life”. (FT, 09, September, 1996)*

When viewed from the perspective of the principles contained within ISO 9000, it could be argued that the quality industry has failed to carry out an effective ‘contract review’ with its industrial clients. Claimed benefits may be valid aims of businesses embarking upon ISO 9000 implementation. However their achievement are a function of the implementation process and are far from guaranteed by adherence to the requirements of the standards. Another article in the Financial Times by Richard Gourlay (1995) highlights some of the common criticisms of ISO 9000, particularly in smaller businesses:

*“The BS 5750 quality standard has had a rough reception from the owners of small businesses. Too expensive, too time-consuming, not relevant, overtly bureaucratic. This is a selection of the reasons smaller businesses have given for not rushing to register for BS 5750 - or ISO 9000, as it is now called in Europe.” (Gourlay, FT, 03 October, 1995)*

The context of this, primarily critical, article was the introduction of cut price training and certification aimed at helping small businesses to obtain ISO 9000. The article concluded that achieving ISO 9000 was an unnecessarily complex and costly process for small businesses, resulting in little appreciable benefit. In an earlier article, Gourlay (1994) echoes the conventional approach to the positive aspects of ISO 9000 when he writes that:

*“there are many companies that have adopted the standards and successfully used the certification structure as part of a quality improvement programme”. (Gourlay, FT, 12, April, 1994)*

He goes on to highlight the overriding influence of companies using quality certification as an “*arbitrary way of cutting down their supplier lists*” (Gourlay, FT, 12, April 194). Suppliers are then forced to obtain certification to ISO 9000 for marketing benefits, without any commitment to achieving internal process improvements, any specific benefits to customers or any guaranteed business with major customers.

## **Survey evidence**

Taylor (1995) carried out a questionnaire survey into the attitudes and behaviours of senior managers in respect to ISO 9000. He concluded that:

*“The growing debate about the value of ISO 9000 needs a better empirical base.”*  
(Taylor, 1995, p55)

He also commented on the need for an understanding of the alignment of ISO 9000 and TQM and the nature of their complementarity. Taylor (1995) recognises that ISO 9000 is not necessary in order to achieve TQM but suggests that ISO 9000 by itself is insufficient. There is no suggestion that ISO 9000 is detrimental to attempts to achieve TQM (Taylor, 1995, p53). The survey found that only 18% of registered companies who responded were attempting to measure the impact of ISO 9000 in terms of increased sales, direct administration and ‘quality costs’ such as returns and scrap (Taylor, 1995, p49). It is suggested that companies that were measuring the impact of ISO 9000 would need to question whether increased sales were the direct result of supplier approval, or improved quality. Similarly they would need to question whether any reductions in scrap and returns were the result of specific

quality engineering projects independent of ISO 9000 or a direct result of ISO 9000 implementation. An ISO 9000 survey commissioned by Lloyds Register Quality Assurance (LRQA), carried out by an unnamed major international research company and summarised by Campbell (1994), indicates the difficulty in establishing direct cause and effect in relation to the standard, based on the perceptions of survey respondents. She writes:

*“The results showed that while 90% of small firms seek BS 5750 to tender for work (and almost three quarters found this to be true), 86% also found that using BS 5750 had actually given them improved planning and control, along with improved customer service and increased productivity”.*  
(Campbell, 1994, p377)

Survey respondents are unlikely to have distinguished between the benefits of obtaining registration to get on tender approval lists, with an associated increase in productivity (65%), and any process improvements brought about directly by the Standard. A second survey of LRQA clients, undertaken at Surrey University (Wong, 1995, p694), reports dramatically better financial ratios for businesses having ISO 9000 certification compared with industry averages. The ratios used included profit margin, return on capital employed and sales per employee. While this type of survey provides quantifiable hard data, any suggestion that the higher performance is caused by applying the principles of ISO 9000 would be difficult to defend, particularly if the supplier approval effects were separated from any remaining process improvement effects. The survey summary admits that there is no evidence of year on year improvement in certified companies and that there is no evidence prior to certification. This survey was also reported in the Financial Times by Donkin (FT, 26, July, 1995), who reported that financial benefits were associated with ISO 9000 certification in all sizes of business, particularly smaller ones.

Surveys such as the two above, which attempt to associate improved business performance with ISO 9000 are always limited by the constraints of the business environment which may be encouraging supplier approval based on registration, without consideration of any meaningful improvements made by suppliers as a result of ISO 9000. Increased sales, resulting from supplier approval, will obviously have a highly significant effect on financial performance measurements. A survey carried out by the Institute of Quality Assurance (1995) focused directly on users' opinions of ISO 9000 with a view to future updates. The main problems with ISO 9000 were found to be that it was unfriendly and unintelligible, that three standards were unnecessary and that the level of understanding of assessors and the outcome of assessments were unsatisfactory (IQA Professional and Technical Board, May 1995, p332). Taking each of the above criticisms in turn, firstly, it is difficult to see how standards committees, representing diverse interest groups can do anything other than produce complex wording with different interpretations to ensure that all committee members are satisfied. Secondly, after three major re-writes in which the three standard structure inherited from defence standards has been maintained, the latest issue (BS EN ISO 9001: 2000) is a single standard, having integrated ISO 9002 and ISO 9003 into ISO 9001. The third criticism concerning third party assessors is the most fundamental and intractable. While multiple second party assessments by customers can be very costly to industry, they retain a natural link between a supplier's QMS and its effect on product and service quality. Independent, third party

assessors can never fully represent the customer in this way and will inevitably focus on system compliance instead of effectiveness (Seddon, 1997, p153-174).

A 'large' national survey of ISO 9000 was carried out by Manchester Business School on behalf of SGS Yardsley (SGS Yardsley Survey, 1996). Response numbers are not given in the summary. Some of the key survey findings were reported as follows:

- \* *“Only 5 % claimed to be very dissatisfied with the impact of the standard on their organisations.”*
- \* *“The three most important benefits of ISO 9000 were seen as better management control, greater awareness of procedural problems and promotional value.”*
- \* *“60 per cent of companies achieving certification within the last 12 months did so as part of a larger, total quality programme, rather than an end in itself.”*
- \* *“The most common reason for seeking certification was anticipation of future customer requirements.”*
- \* *“Chief concerns with ISO 9000 included time commitments and volume of paperwork, as well as the cost of implementing and maintaining the standard.” (SGS Yardsley Survey, 1996)*

The findings also concluded that companies with ten or more employees experienced greater benefits from certification, particularly in perceived consistency of operations, while small companies used the standard principally in order to gain new customers.

The first thing that is apparent from the above survey is that the commercial pressure to achieve registration to the Standard in order to gain new work is very significant and seemingly at odds with the statement about TQM. The second point revealed in the reported responses is a desire for procedural management control, which is indicative of Western management thinking as described by Seddon (1997). A survey of 5000 companies registered to ISO 9000 with UK accredited certification bodies was carried out in 1997 by Nottingham Trent University and reported by Clark

(1997). 60% of all respondents and 80% of those with over 1000 staff indicated that their primary reason for obtaining registration was to improve business efficiency. It was also stated that 39% of respondents indicated that satisfying customer pressure was the principal reason for seeking registration. Bearing in mind the results of the above SGS Yardsley survey it might be inferred from these findings that a significantly larger proportion than 39% of companies with under 1000 staff obtained registration in response to perceived pressure from customers. The Nottingham Trent University survey reported that 68% of respondents promoted ISO 9000 to their suppliers. This could, however, indicate pressure on suppliers through rigid supplier approval criteria built into quality systems, rather than enthusiasm for benefits of registration.

### **The relationship between Total Quality Management (TQM) and ISO 9000**

While TQM has dominated quality management theory in the latter part of the twentieth century, ISO 9000 registration has dominated much quality management practice in the UK, particularly in small and medium enterprises. The following analysis highlights the continuing debate about the extent to which ISO 9000 is complementary, or an inhibitor, to the progress of quality management. The common view of those wishing to justify ISO 9000 is that it is a complementary structure to TQM, a first stage, which addresses the systems aspects of quality, requiring only the human motivational factors to be added on, perhaps with some ‘quality tools’ copied

from Japan (Davis, c1994, p81; Jackson *et al*, 1995, p172; Fox 1994, p20; Sayle, 1991, p21). Davis (c1994) takes this approach one step further by suggesting that:

*“If the Standard has been implemented effectively, then all the conditions that TQM encourages are already in place” (Davis, c1994, p81)*

While Davis (c1994) recognises that poor implementation of the Standard is a regressive step, it would be naive to expect that the assessment process would prevent poor implementation. Davis underlines this problem:

*“It is only too easy to find organisations with BS 5750 / ISO 9000 who deliver goods that do not work, who have grossly inefficient procedures and readily identifiable waste in their systems”*

*“A few have viewed it as an opportunity to introduce an improvement culture.”*  
*(Davis, c1994, p1)*

The debate revolves around the potential for determining what an effective QMS may achieve in recognition that most are not effective. Another way of viewing this would be to focus on any aspects of ISO 9000 which are required for registration, yet would inhibit the effectiveness of the business. As discussed earlier, the many concepts associated with TQM are subject to debate and have limitations, particularly when viewed from the perspective of a complex marketing relationship which changes over time. However, TQM is seen by writers and industry to represent the practices to which a company involved with ISO 9000 should be aspiring. In the context of this critique, TQM can be defined as the pursuit of continuous improvement. Griffin (1996) recommends that the concept of improvement can be incorporated into standards interchangeably with the word quality:

*“The term ‘business improvement’ could easily be substituted for ‘quality’ in the majority of standards and associated documentation in use today without in any way changing their underlying fundamental meaning.” (Griffin, 1996)*

This is an extreme attempt to reconcile the concept of a standard, with its inevitable limitations in scope of applicability and ability to address changes over time, with

more open concepts based upon dynamic improvement resulting from unlimited understanding of system interactions. Critics of ISO 9000 share the fundamental belief that standards encourage minimum rather than optimum performance (Seddon 1997, p14; O’Conner, 1995, pp712-715; Holmes,1995, pp 400-402). Oakland (1993), a respected contributor to TQM theory, recognises the compatibility of TQM and ISO 9000. He views registered quality management systems as complementary to team work and quality tools necessary to achieve TQM (Oakland, 1993, p89). He identifies three principles of never ending improvement:

*“Focusing on the customer.  
Understanding the process.  
All employees committed to quality.”* (Oakland, 1993, p433).

Quality systems inevitably tend to focus on the internal processes of an organisation, an argument which could also be used against much of the TQM movement. For example, Oakland (1993) includes the concept of internal customers in his model for TQM (Oakland, 1993, p 435). It may be the case that Oakland and other authors defend ISO 9000 out of acceptance that documented quality systems are a fact of life in industry. They, therefore, take a pragmatic view that it is the way they are approached which should be addressed rather than their existence. In contrast, Seddon (1997) firmly believes that registration to ISO 9000 is destructive and should be avoided whenever possible. It is recognised that some of the most influential writers on quality management, such as Garvin (1988, pp 21-38), view Strategic Quality Management, rather than TQM, as the successor to quality assurance, and emphasise the need to strategically develop relatively superior quality to give a competitive advantage over competitors. This all important emphasis on the competitive economic environment can be reduced to dangerously simplistic terms

such as ‘meeting customer requirements’ in ISO 9000 and much of the TQM movement (Smith, 1999).

The total or strategic approach to quality management has been given a high profile through well known quality award schemes. The three main awards are as follows:

- The Deming Prize; competitors.
- The Malcolm Baldrige Award
- The European Foundation for Quality Management (EFQM) Award.

The Deming prize concentrates on statistical quality control and the Malcolm Baldrige Award focusses on leadership and strategic quality planning. The EFQM award is based on the Business Excellence Model. These awards are all based on independent assessment of criteria thought to be indicative of good business practice (Hutchins, 1992, pp181-184). While these awards have a broader approach to business improvement than ISO 9000, it is argued that they still force businesses to put resources into satisfying external assessors rather than customers. A movement towards self assessment by organisations has become associated with the Business Excellence Model in particular. Indeed, Seddon became an enthusiast of its potential (Seddon, 1998, pp30-31). He advocates using the model as a structure through which to take an outside-in as opposed to top-down view of an organisation and warns of the danger of focusing on measurement scores achieved in addressing the model, rather than on customer-led process improvements (Seddon, 1998). In view of Seddon’s (1997) criticism of third party assessment, it can be assumed that it

is implicit in the recommendation of the model that any implementation would be supported by self assessment as opposed to external assessment. Self assessment involves a structured approach to the application of the model to achieve business improvements without the need for third party assessment (Davis *et al*, 1996, pp4-11). The EFQM Business Excellence Model has the following components:

*“Enablers: – what the organisation is doing*

*leadership  
policy and strategy  
people and knowledge  
resources  
partnerships  
customer focused processes*

*Results:*

*Customers  
People and knowledge  
Society  
Partners  
Organisational performance*

*Innovation and learning flow through the organisation as an ongoing process.”  
(Quaglia, 1998, pp20-21)*

The above structure demonstrates the broad range of business issues which are now addressed within the field of quality management. It is outside the scope of this study to provide a detailed analysis of quality management methodologies. Rather it is aimed to locate ISO 9000 consultancy and quality management in professional services in relation to the broad development of quality management theory and practice.

## **Analysis of the case against ISO 9000**

Seddon (1997) is a high profile critic of ISO 9000 in the UK and has outlined his case against ISO 9000 in his book, *In Pursuit of Quality*. In the following discussion Seddon's (1997) ten major points of criticism of ISO 9000 provide a convenient framework within which to analyse the extent of any contribution to continuous improvement. The following headings (1-10) and discussion are based on Seddon (1997, pp 3-19 & pp 176-184).

### **“1. ISO 9000 encourages organisations to act in ways which make things worse for their customers.”**

Seddon argues that the 'contract review' clause of ISO 9000 involves a defensive untrusting approach to determining customer expectations, and that customer service procedures add a further constraint to a flexible and fruitful relationship with a customer. Supporters of ISO 9000 (Fox, 1994; Sayle, 1991) argue that an 'effective' quality system would have very flexible procedures which involve an open, customer-focused interpretation of the concept of contract review. Seddon (1997, pp 3-5) offers examples of contract review procedures, which have been unhelpful to customers, such as not accepting verbal orders. Both arguments relate primarily to the interpretation of the standard rather than its wording. Hearsay evidence of this type is not generalisable, the problem being the wide diversity in types of business which have implemented ISO 9000 and also the scope for differing interpretations. To be credible, arguments of this type should be focused on those activities imposed by third party assessors, rather than procedures written by managers which do not make

sense, but to which they commit themselves. There has to be some sympathy for Seddon's view that, ISO 9000 should be judged by its effects in practice and not a theoretical notion that assessors cannot live up to. Davis (c1994, pp 75-78) suggests that the role of senior management is to ask pertinent questions relating to the effectiveness of a quality system and internal auditing. These include:

How well is a business delivering what customers want?

Are procedures helping or getting in the way?

What needs to be done to improve?

and in relation to auditing;

What has been learned by each department?

What help is needed, and where could it come from?

This type of approach is admirable, but questions should include the need for third party assessment, termination of which is possible in organisations where ISO 9000 is not a contractual requirement. It is tempting to conclude that knowledgeable, skillful managers will find a way of making ISO 9000 work for them, while embracing TQM principles, whereas incompetent managers will be unsuccessful regardless of their approach to the Standard.

## **“2. Quality by inspection is not quality”**

This criticism relates to the phenomenon of inspectors not fully checking what they are looking at, based on an assumption that another person has done their job properly. The argument also proposes that the person performing a particular task will act less responsibly on the assumption that any errors will be picked up by the

inspector. Procedures requiring independent checking, often encouraged by bad assessors, can thus be counter productive. Seddon argues that the focus should be on the individual performing a task to do it correctly from the perspective of the customer and not an internal management procedure. Seddon is mainly concerned with service businesses, where customer requirements are directly communicated to service providers. However, self inspection is also encouraged by the TQM movement in manufacturing businesses for reasons similar to those outlined above (Juran & Gryna, 1993, pp 363-365). The reluctance of third party assessors to encourage self assessment may stem, in part, from a concern about their livelihoods (Davis *et al* 1996).

**“3. ISO 9000 starts from the flawed presumption that work is best controlled by specifying and controlling procedures.”**

Seddon argues that procedures require a static assumption of the output required as a result of customer demand, and thus break down when faced with variation in either the quality or quantity of demand. He makes the same argument in relation to ineffective computer software programmes. He argues that management controls should address the purpose of activities in relation to variations in customer demand and their contribution to improvement, rather than compliance with limited procedures. “*Aims should not be defined in terms of activity and methods*” (Deming 1993, p44). Another way of viewing this argument is that systems should develop in accordance with customer ‘demand pull’ as opposed to the ‘push’ of internal demands for control.

Seddon is highly influenced by Deming and suggests that management should attempt systematically to identify underlying common causes of variation within processes and distinguish these from special causes outside the normal range. To achieve this he advocates charting, a form of statistical process control, and like Deming (1993) stresses the need for interrelationships and constraints between processes identified in this way to be managed as a system (Deming, 1993, p102). Critics of ISO 9000 use the ideas of Deming, and particularly their successful implementation within Japanese industry, to demonstrate the inadequacies of ISO 9000 (O’Conner, 1995, p714; Seddon, 1997). As if to highlight the complexity of any discussion relating to quality, it is reported in a British Metal Forming Trade Association publication (1997) that the Japanese automotive industry is moving away from a Deming approach and embracing ISO 9000 (BMTA, March 1997, p4). This highlights the danger of generalising about ISO 9000. It is also dangerous to generalise Deming’s views since they evolved over many decades. Deming is credited with transforming Japanese manufacturing industry in the 1950s, largely by employing statistical control methods to reduce variability. In his book, *Out of Crisis* (1988), Deming attempted to develop his theories into a total quality management approach, represented through his 14 points for the transformation of management. It is his later works (Deming, 1993), which appear to lack academic rigour, culminating in his attempts to synthesise his ideas into a philosophy for understanding the psychology of system variation, which are addressed by Seddon, yet largely ignored by manufacturing industry and mainstream authors such as Oakland (1993). A weakness in Seddon’s analysis is that he may have underestimated the extent to

which Japanese businesses are also subject to pressure to win quality awards and obtain supplier approval for marketing purposes. Cole (1989, p279), illustrates this by describing a Japanese company which threw out all the carefully prepared records required to win the Deming Quality Prize, the day after the assessment.

**“4. The typical method of implementation is bound to cause sub-optimisation of performance.”**

Seddon argues that companies are encouraged to change existing activities so that they meet the requirements of ISO 9000, without having gained understanding of what is predictable about the existing activities, and how the underlying system, in a statistical variation sense, is affected by the changes required. Seddon writes that he has never met a consultant who understands the concept of process predictability and how to manage what governs it.

Seddon summarises this concept by suggesting that ISO 9000 encourages people to ‘do things right’ as opposed to ‘doing the right thing’. This argument is very persuasive in the context of the service businesses within which Seddon operates as a consultant. It may, however, be appropriate for managers in other industries to achieve a state of stability and control where ‘the right thing’ is achieved by ‘doing things right’, for example the nuclear or chemical processing industries or possibly financial institutions.

In his critique of the effects of Scientific Management on quality theory, O’Conner (1995) argues that ISO 9000 inhibits the attainment of ‘World class quality’. He does, however, see a limited role for ISO 9000:

*“ISO 9000 should be relegated to a guidance document describing a minimal quality and the whole structure of accreditation and certification should be abandoned”.*  
(O’Conner, October 1995, p714)

**“5. The Standard relies too much on people’s, and particularly assessors’, interpretation of quality.”**

The recurring criticism of ISO 9000 relates to third party assessment, rather than any principle in the standard that is universally detrimental to businesses. Perhaps the word model in the title of ISO 9001 should be emphasised in preference to standard.

This type of argument leads Jackson *et al* (1995) to write that:

*“ The Standard is no more than a set of principles - a template or framework - on which a unique quality system, to meet the needs of an individual organisation, should be met”.*  
(Jackson *et al*, 1995, p26)

Seddon might, however, point out that not only is this quote significant in that it refers to organisational needs instead of customer needs, but that third party assessors restrict the extent to which interpretations of ISO 9000 are allowed to be unique and still pass assessments. A sceptical point of view would be that in practice the individual organisation referred to in the quote is often the assessment body, rather than the supplier or, indeed the customer.

**“6. The Standard promotes, encourages, and explicitly demands actions which cause sub-optimisation.”**

Here, Seddon argues that the ethos of ISO 9000 is one of command and control, the very mind set which TQM aims to transcend. He writes that control and inspection undermine and demotivate staff, removing pride in their work. Again, Seddon’s approach is rooted in Deming. Deming (1993) argued that employees should be managed in accordance with their contribution to achieving system aims, rather than be assessed against their compliance with activities and methods. This implies that they should have a large amount of control over their own activities, which in turn should be motivating and allow people to express their individuality (Deming 1993, pp 43-44). Supporters of ISO 9000 argue that workers can have control of their own procedures to address these problems (Sayle, 1991, p92). Again, it is third party assessors who are responsible for encouraging centralised bureaucratic document controls, which make it difficult to square the circle between Deming’s approach and ISO 9000.

**“7. When people are subjected to external controls, they will be inclined to pay attention to only those things which are affected by the controls.”**

Here, the argument is that people address what is being measured rather than what is important. If measurements do not directly relate to providing value to customers, as could be argued in the case of ISO 9000 assessment, then the result is sub-optimal. Seddon comments that ISO 9000 registered quality systems rarely address all manufacturing or service processes, not to mention those such as marketing which are

outside its scope. These two issues can create a situation where third party assessment to ISO 9000 might divert resources from where they are most needed.

**“8. ISO 9000 has discouraged managers from learning about the theory of variation.”**

This argument is based on Deming’s (1993) approach to the systematic management of variation in preference to inspection against standards. Seddon argues that systems should be geared to measuring and reducing variation in providing what matters to individual customers. If this natural variation is skewed by standard procedures and internal pressure to work to procedures, regardless of the outcome for customers, then variation and, thus, costs are increased. Seddon identifies the attraction which procedures have to managers who mistakenly believe that they will standardise methods, thereby reducing variation and costs.

Thomas (1995) makes a useful distinction between convergent and divergent variation. The management of convergent variation concerns attempts to continually improve a stable process towards a fixed goal. Deming’s early statistical process control work in Japan is an example (DeVor *et al*, 1992, pp33-43). In contrast, the management of divergent variation requires an open system, evolutionary, experimental approach to organisational learning and improvement. By definition, detailed goals cannot be predicted in a divergent system. As many organisational environments become increasingly complex and dynamic, the management of divergent systems will dominate. It is doubtful whether procedures based on stable

assumptions, inherent in the ISO 9000 approach, can have much benefit in such circumstances (Thomas, 1995, pp 174-179).

The extent to which procedures are complied with can be independent of their effectiveness. Procedures allow managers to prescribe working practices and then blame any deficiencies in actual performance on non-compliance. Jackson *et al* (1995, p4) suggest that ISO 9000 is based on a belief that defects and errors are caused by failure of human judgment or concentration. This seems to be sensible until examined in respect to Western management culture, which has been so attracted by documented procedures. If disobeying procedures improves performance, albeit by chance, then managers can take the credit. Deming (1993, pp 38-39) argues that 97% of errors are caused by the management of the system, which includes the effectiveness of any procedures. ISO 9000 seems to allow managers to focus on the remaining three percent of errors, thus abdicating their responsibilities to workers who are not given the authority to “define quality and innovate” (Deming, 1993, p16).

**“9. ISO 9000 has failed to foster good customer-supplier relations.”**

This argument asserts that the contractual nature of ISO 9000 inhibits the development of co-operative relationships between a company, their suppliers and their customers. This in turn leads to a functional, transactional, approach which detaches senior management from supply chain relationships and the complexities of the underlying system of mutual benefit. Jackson *et al* (1995, p172) argue that the

principles of ISO 9000, which relate to contract review, customer complaints and supplier assessment are an opportunity to get close to suppliers and customers in the TQM spirit. Seddon argues that documented contract reviews, supplier approvals and presumably complaints systems, are indicative of coercive control and an environment which lacks the trust required for constructive, co-operative relationships. Seddon's argument is supported by survey evidence. Taylor (1995) carried out a questionnaire survey of the attitudes and behaviours of senior managers in respect to ISO 9000. They concluded that senior managers were detached from the effects of quality systems and demonstrated a lack of understanding about the purpose of ISO 9000. It could be argued that the findings of the SGS Yardsley Survey (c1995) described above also demonstrate a limited, cost focused, understanding of the effects of ISO 9000.

In competitive markets, there can be a tension between co-operation and competition across and down supply chains. This exposes a weakness in Deming's (1993) arguments relating to co-operation within a system. Seddon, justifiably, limits his focus to the system of interaction between service providers and their customers, suggesting that any conflict is sub-optimal. Seddon provides examples suggesting that his concepts are equally applicable to manufacturing businesses. Deming (1993) seems to elevate his anti-competition dogma to such a degree that he addresses a system, which includes the entire US economy if not the world (Deming, 1993, p84). This approach is clearly impractical, but has some relevance when reduced to manageable small-scale systems.

**“10. As an intervention, ISO 9000 has not encouraged managers to think differently.”**

Seddon argues that ISO 9000 is indicative of an outdated way of thinking about management aimed at achieving control through “*procedures, budgets, targets and standards which themselves cause sub-optimisation*” (Seddon, 1997, p18). He considers this type of thinking to be based on the belief that ‘managers decide’ and ‘workers do’. Seddon (1997, p19) goes on to argue that this outdated ‘command and control’ management culture prevents Western organisations from achieving continuous improvement. He argues that TQM programmes fail because managers are unable to think beyond ‘command and control’. The implication is that the segmented approach to TQM, that is, adding motivational techniques to some quality tools and an ISO 9000 system, results from an inability to embrace the desired mind set. The proposed way of thinking involves management through decentralised learning about causes of variation, co-ordinated by leadership, directed at common system goals.

## **ISO 9000 and the role of consultants**

Taylor (1995) found that only 8 - 11% of senior management respondents rated ISO 9000 consultants as poor. He (1995, p51) suggests that they may have been reluctant to admit bad judgement in selection, or the responses may be indicative of managers’ detachment from the implementation process. MacDonald (2000) shows that consultants are more ready to admit to failed, dysfunctional consultancy projects than their clients. His research supports Taylor’s, suggesting that his findings may result

from a reluctance of managers to admit to failure. Taylor (1995, pp 51-52) argues that the lack of understanding of the purpose of ISO 9000, and the lack of measurement of its benefits indicated in senior managers responses, suggests that consultants may not have been effective.

The lack of understanding of ISO 9000, combined with a reluctance to measure its effects, suggests that ISO 9000 consultancy is primarily concerned with the short-term aim of obtaining registration. Taylor (1995, p52) found that, contrary to some beliefs, more than 25% of quality system documentation had been written by consultants in only 19% of registered respondents. He views this as a relatively positive sign given that system ownership can be associated with companies writing their own procedures. Jackson *et al* (1995, p42), while suggesting that consultants can be useful in implementing quality systems, stress that the company itself has to take responsibility for the content of the system. Consultants are paid to anticipate the interpretations of external assessors and therefore, as Jackson *et al* (1995, p122) suggest, prevent companies' interpretations from going off at a tangent. They go on to recommend that consultants be used as facilitators, the bulk of the work being carried out by company employees to ensure ownership (Jackson *et al* 1995, p122). Fox (1994, p48) warns of the danger of management delegating responsibility for the quality system to a consultant. This lack of commitment can result in an organisation being left with a system, which people do not understand, or which does not complement the way in which the company is run.

Lack of client involvement and ownership is a recurring theme in ISO 9000 consultancy. Wilson (1996, pp16-18) explicitly warns against quality consultants who attempt to impose standard documented systems, which have been developed for other organisations. Some conscientious consultants, with a background in a particular business, may do this unknowingly if they do not have the understanding and flexibility to help a client develop a system suited to the individual needs of the organisation.

The selection of a consultant is a primary factor in achieving a successful assignment.

Walker (1997) proposes the following 7 steps to successful selection:

1. Defining the problem, that is clarifying why the consultant is required;
2. Involving colleagues and senior management in particular to achieve the necessary organisational commitment;
3. Researching possible candidates, making use of recognised bodies and approval schemes where possible;
4. Arranging visits to assess a number of potential candidates;
5. Selecting a consultant and allocating a staff member with authority to control the project and liaise with the consultant;
6. Managing the implementation and reviewing the progress of the project;
7. Assessing, approving and communicating actions and recommendations made in final reports.

It is emphasised, in relation to point 4, that the aim should be to find a consultant with the right personality and communication skills in order that the consultant can make a

positive contribution to the company. With regard to point 3 it is relevant to point out the extent to which consultant accreditation schemes can dominate the selection of consultants for projects funded by Business Links and Training and Enterprise Councils (TECs). Tom Barrett (1999) argues that Business Links and TECs:

*“have effectively become closed shops to consultants not registered with the British Accreditation Bureau Select Assure Scheme”. (Barrett, 1999, p42)*

It is considered doubtful whether such a scheme can indicate potential value beyond a minimum set of qualifications or track record (Tann and Laforet, 1998).

## **The future of ISO 9000**

ISO 9000 was updated in December 2000. The new standard is referred to as ISO 9000:2000 (BS EN ISO/CD1 9001:2000, July 1998). It aspires to the integration of business management systems and quality management systems (Griffiths 1999). An important aim of the new standard is to provide an integrated documented system for the management of environmental, quality and safety management systems (Renfrew *et al*, 1998; Trainer, 1996). Despite this aim there are no apparent plans to do away with the separate standards for safety and environmental management systems.

Assessment bodies are, naturally active in the promotion of the new standard, given that it retains a link to third party registration. Lloyds Register Quality Assurance propose that the new integrated approach will exploit the expertise of third party assessors (Batters, 1999). Hutchins (1999) sees this as part of a wider point of contention with assessment bodies with regard to the skills of assessors. He argues that a requirement of the new standard, for evidence of the identification of customer

needs, places demands on both clients and assessors which are likely to be beyond the capabilities of both and suggests that customer satisfaction is a ‘comparative and dynamic concept’ for which a superficial tick-sheet approach to assessment would be worthless. Hutchins (1999) asserts that Britain has lost twenty years in potential quality leadership due to the third party certification empire, which was diverted from total quality management in the early 1980s.

Alan Field of BSI argues that “*Even ISO 9001: 2000 will have a relationship focus*” (Field, 1999, p52). This assertion is based on an increased emphasis on requirements for the establishment of objectives and customer satisfaction measurements within the proposed standard. Field (1999) goes on to propose that the new standard will encourage dialogue with customers “*perhaps involving an element of relationship marketing*” (Field, 1999, p52). An increased emphasis on customer feedback rather than simply complaints, together with a requirement for customer satisfaction measurement are seen as the main drivers of the changed approach involved in the new standard. The main factor missed, understandably by representatives of assessment bodies is that the reality of any model is that it is only as good as the managers who use it. Even if assessors had the capability to train sub-standard managers, they would not have the time or resource support to do so. It is contended that the third party assessment process is almost certainly going to allow sub-standard managers to retain certification based on a reduction of the model to a superficial set of document inspections. To do otherwise would put the assessors out of business by ending relationships with their clients.

There is a trend within the quality management industry towards value added auditing (O’Hanlon, 1999; Fletcher, 1999; Sayle, 1999). Assessors, driven by competition and criticism of the audit process are increasingly being encouraged to add value to their activities. In the name of value added auditing assessors are encouraged to provide recommendations to help clients to improve their businesses in addition to identifying non-conformities. Again a concern is that such activities require skills that many auditors may not have. Whether an assessor is in the best position to generate this value for a client organisation is questionable. It is suggested that assessors are likely to view themselves as service providers interested in establishing and maintaining client relationships. Despite the increased competition between assessors, the quality assessment industry can be viewed as a distorted market based on a semi-regulatory framework encouraged by the UK government in the 1980s. It is accepted that some clients do benefit and perceive value in the support and advice of skilled assessors. However, it is also suggested that the relationship with an independent person who can provide advice and support is the source of the value rather than any specific requirements of the assessment process.

The assignment relationship approach to quality in this thesis can be viewed as advocating a partial approach to quality management in reaction to the gap between the espoused aims of total quality management, quality awards and now ISO 9001: 2000. The suggestion of a partial approach stems from a proposal that neither clients nor consultants have the ability to manage the multiplicity of relationship factors that would, in theory be required to apply a total system to relationship management. It is

argued that this failure is the reason why these approaches are inevitably reduced to simplified tick sheet measurements and audit check lists. Obviously senior managers have to have an overview of all the complexities involved in a business. However such an overview needs to be supported by a system model and not distorted into a set of management activities that are not led by marketing strategies.

## **Conclusions**

From the above analysis of Seddon's (1997) ten points it can be concluded that the third party registration process, if not ISO 9000 itself, in practice inhibits continuous improvement. Some clients are prepared to compromise business processes to meet the perceived needs of assessors. The reason for this is to obtain the expected marketing benefits of registration. There is no evidence available about the extent to which self assessment to ISO 9000 can be employed effectively to ensure that process-critical 'things are done right' (working to procedures) without preventing 'the right things' (desirable actions) required to achieve continuous improvement from also being addressed.

The wider, theoretical, case against ISO 9000 concerns firstly the development of the quality assurance industry, and secondly the mind set of Western management.

Quality Assurance involves the contractual control of suppliers, together with prescriptive procedures. These are imposed by management, aimed at achieving specified standards, all of which are indicative of a command and control culture and

a scientific management approach, which have dominated Western management thinking. Any individual companies which attempt to embrace systems concepts are, therefore, faced with trying to manage an island of Deming-inspired systems thinking and continuous improvement, surrounded by a sea of alien culture. A degree of pragmatic compromise is, therefore, likely to be required, particularly if any key customers are insisting on ISO 9000 as a condition of trade.

For an organisation effectively to address ISO 9000, it needs to have skilled and committed senior managers with an enlightened mind set, competent flexible consultants, co-operative suppliers and supportive customers who present the opportunity to discontinue third party assessments. It could be argued that if all these things were in place, ISO 9000 would be an irrelevance to achieving continuous improvement. In view of the persuasive evidence against ISO 9000, which has been identified in the above discussion (Seddon, 1997; Gourlay, 1995; O’Conner, 1995; Financial Times, 09, September, 1996), the decision of whether or not to carry out research that involves ISO 9000 consultancy could be elevated to an ethical issue. Nonetheless its presence is viewed, in this thesis, as a reality in UK management and a suitable setting for the investigation of the consultancy process. Proposed improvements to the consultancy process, made in this thesis, have to be applied within the cultural constraints of management custom and practice.

## **Chapter Four**

# **A LITERATURE REVIEW OF THE MANAGEMENT CONSULTANCY PROCESS**

### **Objective**

The methodology of the thesis involves an exploration of any relationships between assignment stages, consultancy approaches and clients' perceptions of satisfaction.

The objective of this chapter is to develop a concept of the client-consultant relationship process from a literature review. Through this concept the process that generates client perceived value is identified.

### **Summary**

This chapter draws upon literatures in the fields of consultancy, relationship marketing and relationship development to explore the consultancy process from a relationship perspective. A literature review is carried out to identify the elements of a relationship between a client and consultant that indicate the generation of client perceived value. This analysis informs the skills questionnaire used in empirical research (**Chapter Five**). The literature review is used to underpin the proposal in this thesis that a consultancy relationship consists of a nested hierarchy of three relationship levels: the account level, the assignment level and the episode level. It is

suggested that some process stages are common to each relationship level. These process stages are employed in **Chapter Six** to develop a model of client perceived value and ultimately the proposed value generation system (**Chapter Eight**).

## **Defining the consultancy process**

Kubr (1996) defines management consulting as follows:

*“Management consulting is an independent professional advisory service assisting managers and organisations in achieving organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes.” (Kubr, 1996, p8)*

Consultancy can be viewed as having two fundamental dimensions:

- 1) The technical dimension;
- 2) The human dimension. (Kubr, 1996, p18)

The technical dimension concerns the specialty for which the consultant is hired. This dimension can vary greatly in content, for example between ISO 9000 consultancy, Information Technology consultancy and organisational development. The extent to which the technical dimension of consultancy can be usefully generalised is, therefore limited. For this reason, the focus of this chapter is primarily concerned with the human dimension of consultant-client work relationships and the theoretical basis for developing a generic analysis of the consultancy process. While accepting the importance of the wider relationship environment, the main focus of this literature review is on the process of relationship development between an individual consultant and key client contact, within an individual assignment. Halinen (1997) refers to this part of an agency-client relationship as the “*interaction process*” (Halinen, 1997, p186). A consultant is, typically, concerned with completing the

assignment through being invited back after each episode. The wider relationship involving repeat assignments or involving other consultants in related assignments is a secondary concern compared with the immediate relationship required to complete the primary interaction process. Consultant-client relationships can develop through highly complex cycles of inter-organisational assignments, involving many individuals over long periods of time (Halinen, 1997).

Block (1981) clarifies the importance of the independent advisory role of consultants, suggesting that a manager retains direct control over actions, whereas a consultant has no formal direct power. Ormerod (1996, p2) points out that the choice of term used to define the activity of consulting, whether it be providing advice, a service or simply helping a client, is secondary to the identification of the client. Writers are agreed that the commercial success of a consultancy assignment or episode within an assignment typically requires the expectations and perceptions of multiple client contacts to be addressed (Block, 1981, p56; Schein, 1987, p125; Kubr, 1996, p55). The definition of the term assignment accords with Halinen's (1996 and 1997) use of the term for advertising agency assignments. Namely the specific work contracted by a consultant. This is in contrast with the more general term 'project', which does not distinguish between the work required to be carried out by the consultant and the potentially broader long-term considerations of the client's project.

## **ISO 9000 consultancy**

Quality consultancy, aimed at achieving ISO 9000 registration, can be considered to be niche consultancy. Such a classification is characterised by the following traits:

- Clearly defined aims and scope of influence
- Usually an individual consultant
- A specialist area
- A limited time scale followed by disengagement
- An alternative to in-house resource.

Blake and Mouton (1983) demonstrate the potential complexity involved in any consideration of the multiple dimensions of consultation. Therefore the following analysis focuses on those dimensions that can be considered to be of primary importance to ISO 9000 consultancy. Blake and Mouton's (1983, p11) 'Consulcube' model defines the following three dimensional axes for analysis of consultancy:

- Kinds of Intervention (first dimension); Theory Principles, Prescriptive, Confrontation, Catalytic, Acceptant.
- Focal Issues (second dimension); Power/Authority, Morale/Cohesion, Norms/Standards, Goals/Objectives.
- The Client (third dimension); Individual, Group, Inter group, Organisation, Larger Social Systems.

Without denying the relevance of complex secondary relationships to ISO 9000 consultancy, the primary focus of a typical ISO 9000 consultancy project or assignment is on the relationship between an individual consultant and a key contact,

that is, Individual in the third dimension. The client's Norms/Standards in the second dimension are clearly the key focal issue of ISO 9000. These assumptions leave Kinds of Intervention in the first dimension as the main variable associated with ISO 9000 consultancy. Theory Principles are to a large extent constrained by the quality assurance principles built into the structure of ISO 9000. The remaining elements of the first dimension, Prescriptive, Confrontation, Catalytic and Acceptant, are related to the typologies of consultancy in decreasing order of directive approach as shown in **Table 4-1**.

PROPOSED SCALE FOR TYPE OF APPROACH Kubr, 1996)	KINDS OF INTERVENTION			ROLES					ACTIVITIES	
	Blake & Mouton (1983, p11)	Lang <i>et al</i> (1990)	Kubr, 1996, p57	Block (1981)	Tann <i>et al</i> (1997)	Kubr, 1996, p61	Schein, (1987, p38)	Wilson (1996, p54)	Schein (1987, p20)	Kubr, 1996, p13)
(DIRECTIVE)	Theory perspective (personal education)		Resource	Expert	Expert	Advocate Technical Expert	Expert	Adviser Teacher Source of specialist expertise Prophet	Provide information	Provides information specialist resources & expert opinion including contacts
	Prescriptive	The diagnosis prescription model					Doctor	Diagnostician Interpreter	Analyse and diagnose Make decisions, give commands	Diagnostic work and action proposals
				Pair-of-Hands	Pair-of-Hands	Trainer educator	Trainer		Trainer	Training
	Confrontation							Project manager	Reward, punish Take responsibility	
	Catalytic	The co-operation model	Process	Collaborative Role	Collaboration	Collaborator in problem solving Alternative identifier	Process Consultation	Analyst Facilitator Innovator	Help to implement	Systems improvement and planning
						Neutral Observer	Fact finder	Researcher Diplomat	Carry information	
(NON DIRECTIVE)	Acceptance	Subtle diagnosis prescription			Eclectic Approach	Process specialist Reflector		Mentor Counsellor Conscience	Listen, support & counsel	Personal counselling

**Table 4-1**

**Typologies of consultancy approaches in literatures**

## **Consultancy roles**

**The consultant's role is defined as the part played by the consultant in carrying out assignment activities agreed with the client.** Block (1981, p160) identifies three layers to problems addressed by consultants. These are:

- i) the problem itself;
- ii) people's perceptions of the problem;
- iii) the consultant's role.

The consultant's role can, thus, be viewed in the context of the problem for which consultancy services were sought and the client's perceptions of the problem. Client perceptions must be prioritised in identifying the value of an assignment. Wilson (1996, p54) provides an indication of the potential breadth of interpretation of roles that can be attributed to consultants. He lists the following:

- Adviser
- Diagnostician
- Analyst
- Researcher
- Teacher
- Mentor
- Facilitator
- Interpreter
- Source of specialist expertise
- Project Manager
- Innovator
- Prophet
- Counsellor
- Diplomat
- Conscience

In considering ISO 9000 consultancy, each of the above roles could be considered to provide client perceived value in certain situations or assignment stages. These roles

can be associated with categories of consultancy intervention identified in literature along a scale between a directive and non-directive approach as shown in **Table 4-1**. The preferred approach or orientation of a consultant influences the extent to which different roles are adopted throughout an assignment. **Table 4-1** provides a literature summary of kinds of consultancy intervention together with consultancy roles and associated activities.

According to Kubr (1996), either the resource or process approach may dominate at different phases of a project. These two approaches are shown in **Table 4-1**. The resource role is where the consultant acts as an external resource providing expertise and giving advice. In contrast the process role is where the consultant attempts to help the client organisation to solve its own problems. He argues that the success of a consultant's role is dependent upon it being complementary to the role taken by the client (Kubr, 1996, pp57-58). He does not generalise about the link between specific project stages and suitable roles.

The above review primarily concerns the roles and activities of a consultant at the assignment level of a relationship. Ford *et al* (1998, pp60-161) provide the following insight to the different roles in personal contact patterns at the account management level:

- Information exchange role – the exchange of confidential information based on the development of trust within inter-personal relationships;
- Negotiation and adaptation role – where inter-personal relationships provide the context for inter-company negotiations and adaptations;
- Crisis insurance role – high level inter-personal contact is initiated to provide a point of escalation if problems occur in lower level relationships.
- Social role – personal friendships which can give rise to both favourable and unfavourable consequences for inter-company relationships.
- Ego-enhancement role – where contact is cultivated with senior members of an organisation to enhance an individual's ego without any obvious inter-organisational benefits.

## Consultancy styles

**Consultancy style is defined as the preferred approach or orientation of the consultant.** The importance of client perceptions was highlighted above in relation to the role played by a consultant. In contrast, the style of a consultant is primarily influenced by a consultant's perceptions and inclinations. Literatures do not clearly define the relationship between consultancy roles and style. However, the different roles played by a consultant can be seen as a function of the client's expectations and needs at a particular assignment stage together with the preferred orientation or style of the consultant. In **Table 4-1**, neither the types of intervention, roles or associated activities directly indicate typologies of consultancy style. Lang *et al's* (1990) identification of models of intervention offer a potentially useful categorisation of consultancy styles. These can be seen as:

- Prescriptive;
- Facilitative;
- Reflective;

This categorisation clearly positions consultancy style along the respective parts of the scale from directive to non-directive approaches, shown in **Table 4-1**. The orientation of a consultant towards one particular style would be displayed to a client through the consultancy roles and activities carried out.

Block (1981, p23) recommends a collaborative approach to the consultative process, on the grounds that it is more likely to stimulate implementation after withdrawal of

the consultant than a purely directive approach. He identifies a common resistance to collaboration, by clients who “want answers”, and clear directions on what to do. A consultant who attempts to adopt a collaborative approach may be perceived to be weak and vague by a client who wants direction. Schein (1987) clearly favours the ‘Process Consultation’ orientation or style of helping the client to

*“perceive, understand, and act upon the process events that occur in the clients’ environment”.*  
(Schein, 1987, p34)

The possible tension between a client’s expectations and a consultant’s orientation or style could clearly create client perceptions of dissatisfaction. Similarly, a consultant with a directive style may be perceived to be rigid and authoritarian by a client who requires a collaborative approach.

The focus of this thesis is the interaction process stage of a relationship as defined by Halinen (1997). This relates to the detailed interrelationships within a project or assignment. Halinen (1997, pp186-208) addresses interaction style as a complementary aspect of the interaction process. She categorises interaction styles as follows:

- Openness of communication – variations in the degree of trust, indicated by the nature of information exchange;
- Formality of control – variations in the monitoring of assignments;
- Investment initiative – variations in the degree to which an organisation makes an effort to cultivate relationships.

Halinen's (1997) approach to interaction style relates to a company's management style and strategic approach to relationships. This is indirectly relevant to the individual style of a consultant.

## **Process Consultation**

Blake and Mouton (1983, p 292-293) categorise process consultation among catalytic models of consultancy. They describe how a process consultant facilitates change, in a client organisation by moving the attention of the client away from the constraints of shared history and formal organisational pressures to procedures, processes and relationships. The emphasis is on the consultant influencing the speed and direction of organisational change without the client becoming dependent on the consultant to see through a change programme in the longer term. Blake and Mouton (1983, p 292-293) stress the need for the client to take ownership of diagnosis and problem solving activities. This is based on an assumption that the client ultimately has a better in-depth knowledge about the details of problems faced, than does the consultant.

The process consultation approach to consultancy is primarily concerned with the process of "*how things are done*" (Schein, 1987, p39), not what is done. However, each question informs the other in practice. Decision making, problem solving and judgement are addressed and ownership of management issues by the client is emphasised. The following table (Schein 1987, p40) identifies the focus of observation and intervention involved in process consultation.

	<b>TASK</b>	<b>INTERPERSONAL</b>
<b>CONTENT</b>	1. Formal agenda, goals	4. Who is doing what to whom
<b>PROCESS</b>	2. How the task is done	5. How members relate to each other, communicate etc.
<b>STRUCTURE</b>	3. Recurrent processes (standard operating procedures)	6. Recurrent interpersonal relationships, roles.

**Table 4-2**

**The focus of process consultation**

In considering **Table 4-2** with respect to an ISO 9000 project: task content, process and structure have direct relevance. However, process consultation presents difficulties for a consultancy model applied to ISO 9000 consultation with regard to the interpersonal focus. Points 4, 5 and 6 of the matrix in **Table 4-2** are suggestive of an explicit and open ended investigation of the influence of an organisation's culture on behaviour and tasks. Indeed, Schein (1992) is associated with methodologies for investigating organisational leadership and uncovering the artifacts, espoused values and underlying assumptions, which make up successive layers of an organisation's culture. Such a comprehensive methodology aimed at stimulating organisational change and learning can only have indirect and partial relevance to an ISO 9000 project, given the time and task limitations typically resulting from negotiations with clients. An ISO 9000 project carried out within a genuine programme aimed at organisational improvements associated with total quality may provide an environment for a process consultation approach.

The scope for explicitly adopting a process consultation approach may be limited in ISO 9000 consultancy. However, implicitly the principles can be applied to involve the client in problem solving. Also an awareness of a client organisation's cultural

constraints helps a consultant to achieve the limited goals of an ISO 9000 project. Schein's (1987) approach to process consultation deals with clients' perceptions "*within the constraints imposed by the cultural rules*" (Schein, 1987, p79). Schein (1987, pp55-79) provides valuable insights into client perceived value within a consultancy relationship. He draws attention to the way in which equitable relationships involving fair exchange are perceived as normal when parties are satisfied. Dissatisfaction on the other hand, results from unfavourable experiences that are generally abnormal events (Schein, 1987, p79). Thus the normal perceptions of clients can be viewed as being skewed in favour of satisfaction.

The effect of consultancy on the client's status and need to save face are considered, by Schein (1987, p86) to be key determinants of client perceived value. He writes that consultancy clients need to re-establish the equity of being one down by pretending that solutions are their own or rejecting 'expert' advice. Humility and a process focus are, thus, seen as required consultancy traits (Schein, 1987, p79). This can be viewed as particularly relevant in considering the client from the perspective of a key individual who's organisational status is often closely linked to the success of a consultancy project or assignment.

Kubr (1996, p58), identifies process consultation as a collaborative approach to consultancy, going on to suggest that such an approach has a natural leaning towards organisational development consultancy. Schein (1987) would be likely to resist this interpretation on the grounds that interpersonal issues underpin all organisational

tasks. A practical way of providing client perceived value is offered through the emphasis of process consultation on encouraging clients to choose from alternative options.

*“the philosophy of process consultation would argue that it is better to help the client to choose the right answer from two or more alternatives than to give him a single one”.* (Schein, 1987, p59)

This experimental interactional emphasis is not likely to go down well with a client who wants a directive approach to the tasks in hand.

*“What typically does not work is the concept of trying to ‘sell’ process consultation to someone unfamiliar and uninterested, or trying to explain how it works outside the context of an actual problem situation”.* (Schein, 1987, p125)

Schein (1987, p148) associates process consultation with action research, reflecting the idea that we only understand human systems through the process of trying to change them. This approach is clearly incompatible with the idea that a consultant applies a prescriptive approach, based on rigid pre-conceived standard methods. It could, however, be argued that ISO 9000 addresses administrative and technical systems, as manageable sub-systems of organisations, which can be comparable between organisations. Therefore, the provision of standard options, based on prior experience, may be perceived by clients to be a valuable part of an assignment. The value provided by a consultant, in recognising the task, organisational and cultural boundaries of a project could also be greatly valued by a client. However, a balance is necessary to prevent the client perceiving the consultant to be weak or unconfident. Schein (1987) alludes to the value of recognising the limitations of influence:

*“help must be provided within the constraints imposed by the cultural rules”.* (Schein, 1987, p79)

Blake and Mouton (1983, pp470-471) identify a tension created by the desire of a process consultant to address problems defined from the perspective of a client. The tension arises through the consultant’s sense of responsibility for the consultancy

process and problem resolution. This can push the consultant into a prescriptive approach that would contradict the principles of process consultation.

## **Consultancy skills**

In focusing firstly on the individual relationship between a consultant and a key client contact, and secondly on the interaction styles developed through the client consultant relationship, theoretical disciplines not normally associated with consultancy can be considered to have some relevance. Schein (1987), Kubr (1996) and Wilson (1996), have recognised the role of counselling as an aspect of consultancy. Wilson (1996, p73) emphasises the importance of relationship building skills in consultancy:

*“Technical skills are not sufficient to be an effective consultant - the ability to empathise with the client and to develop a relationship on a personal level is also essential”. (Wilson, 1996), p73)*

He goes on to emphasise the importance of dialogue:

*“The initial meeting should only be the start of a frequent and continuous dialogue between yourself and the consultant”. (Wilson, 1996, p183)*

Bringing together the concepts in the preceding sections, consultancy relationship skills can be seen as those activities displayed by a consultant, required to bring about client perceived value.

## **The consultancy process**

The analysis shown in **Table 4-3** demonstrates the basis in literature for the three levels at which a client consultant relationship can be viewed, that is the episode, assignment and account levels. The second column of **Table 4-3** has been developed to provide an interpretation of the process stages and skills implied across the three levels. They are adapted from the work of Lang *et al* (1990), in the context of a counselling relationship, and applied to the episode level of a consultancy relationship where value is primarily generated. The primary process stages are:

- Initial contact;
- problem clarification;
- gaining new insights;
- action strategies;
- termination.

EPISODE LEVEL		ASSIGNMENT LEVEL		ACCOUNT LEVEL
Lang <i>et al</i> (1990)	Adapted from Lang <i>et al</i> (1990)	From Block (1981) – “Flawless Consulting”	Quoted from Wilson (1996) - “Getting the Most from Consultants”	Payne (1995) “Key Account Management (KAM) in Business-to-Business Markets”
“Skills & strategies for helping”	Stages of project or meeting & relationship activities	5 Phases of consulting Implementation steps as an opportunity for collaboration	“Consultancy process”, (p70 & p99)	“KAM as an organisational process”, (p138)

<i>PLAN (Deming)</i>	INITIAL CONTACT	ENTRY & CONTRACTING	PROJECT DEFINITION	PRE KAM
Initial contact	Discuss goals & expectations of client	Defining the initial problem	Make proposals to client	Make offerings available
	Discuss terms of project or meeting	Deciding to proceed with the project	Agree terms of reference	Gather information
	Negotiate acceptable way of working		Engagement	Determine client potential

<i>DO (Deming)</i>	PROBLEM CLARIFICATION	DATA COLLECTION & DIAGNOSIS	INFORMATION GATHERING & RESEARCH	EARLY KAM
Non-selective listening skills	Listen to client	Selecting dimensions to be studied	Information gathering	Identify motives, culture and concerns
Establishing relationship	Open to client’s needs	Deciding who will be involved		
	Adaptable in approach	Selecting the method		
Selective listening skills	Ask appropriate questions	Data collection	Research	Understand decision making process
Exploring problems	Show understanding			
	Sensitive to clients position			
Regulating skills	Review progress	Funnelling the data	Problem definition	Adapt to particular needs
Ordering	Summarise main issues	Data summary		Bespoke solution
	Use time effectively			

**Table 4-3**

**Preliminary analysis of a consultancy relationship process  
(Nested hierarchy of assignment levels, with corresponding process stages and activities)**

**Chapter Four – LITERATURE REVIEW OF MANAGEMENT CONSULTANCY PROCESS**

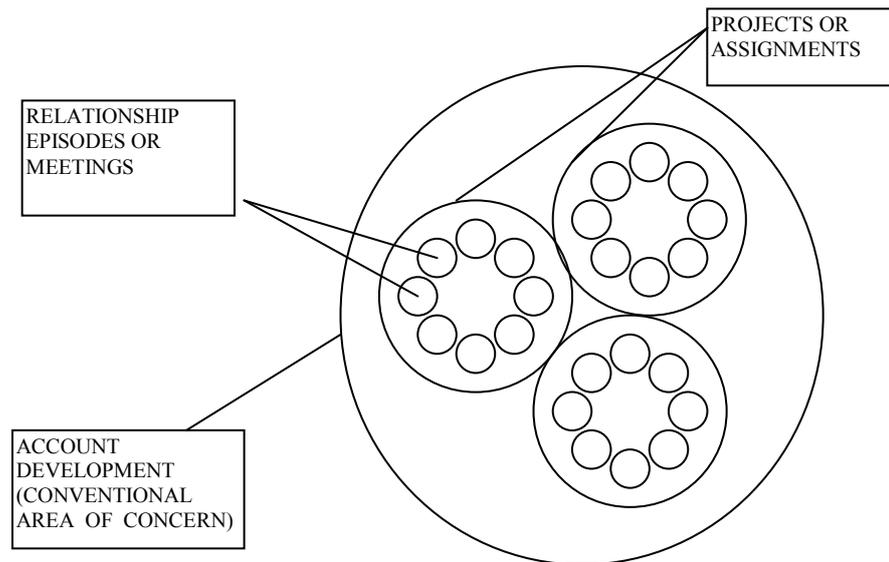
EPISODE LEVEL		ASSIGNMENT LEVEL		ACCOUNT LEVEL
Lang <i>et al</i> (1990)	Adapted from Lang <i>et al</i> (1990)	From Block (1981) – “Flawless Consulting”	Quoted from Wilson (1996) - “Getting the Most from Consultants”	Payne (1995) “Key Account Management (KAM) in Business-to-Business Markets”
“Skills & strategies for helping”	Stages of project or meeting & relationship activities	5 Phases of consulting Implementation steps as an opportunity for collaboration	“Consultancy process”, (p70 & p99)	“KAM as an organisational process”, (p138)

<i>CHECK (Deming)</i>	GAINING NEW INSIGHTS	FEEDBACK & DECISION TO ACT	ANALYSIS & SYNTHESIS	MID KAM
Making insightful connections	Provide necessary information		Synthesis	Increasing trust & dependence
	Explain new concepts well			
	Interpret client’s situation correctly			
Differentiating skills	Confront problems	Data analysis	Analysis	Develop relationship
	Provide relevant examples			
	Clarify jargon			
Providing choices <i>see Schein (1987) p158</i>	Encourage experimentation			Address range of problems
	Provide alternative options			
	Help client to choose solutions		Propose solutions	

<i>ACT (Deming)</i>	ACTION STRATEGIES	IMPLEMENTATION	IMPLEMENTATION	PARTNERSHIP KAM
Action planning	Adapted to client’s capabilities		Evaluate solutions against objectives & capability	Shared information
	Addressed appropriate staff level	Feedback of results		
	Stimulated necessary commitment			
Goal directed actions	Agreed appropriate actions	Making recommendations	Recommend solutions	Joint problem resolution
	Agreed a realistic workload		Plan implementation & determine (outline) budget	
	Encouraged client ownership		Prepare report & make presentations	

	TERMINATION	EXTENSION, RECYCLE OR TERMINATION	FINAL EVALUATION & DISENGAGEMENT	SYNERGISTIC KAM & UNCOUPLING
Review	Achieved goals			Beyond partnership
	Developed client’s understanding	Decision on actions	Review project with client	Creating joint value
	Evaluated achievements		Disengagement	Dissolution

**Table 4-3 (Cont.)**



**Figure 4-1**

### **Nested hierarchy of relationship process chains**

**Figure 4-1** shows the nested hierarchy of levels from which relationships can be viewed. The three nested process levels of a consultancy relationship, proposed in this thesis, are explained below.

- The account development process level - that is, the series of assignments which take place over a long period of time between a professional service provider and a client. This is the level which is primarily addressed by relationship marketing research.
- The assignment process level - that is, the stages through which an individual assignment develops from the initial contract to termination.

- The assignment episode process level - that is, the process through which a consultant or professional service provider addresses the detailed communication of the assignment work to be carried out at each meeting within a series of meetings or episodes which make up an assignment.

A concept that is implicit in this hierarchical approach is that the effects of moments, episodes or projects within their respective sub-cycles tend to be cumulative.

However, literatures indicate that key incidents occurring at any stage of a sub-cycle can have a disproportionate effect on clients' perceptions with regard to the greater cycle. Literature identifies the way in which the differences between a client's expectations and eventual perceived value can be amplified by certain incidents (Halinen, 1997, p65; Storbacka *et al* , 1994, p25; Groth and Dye, 1999, p283). Groth and Dye (1999, p273) propose that such incidents are essentially unpredictable, perceived value being subject to a multitude of conscious and sub-conscious variables. This suggests that there is limited scope for developing generalised concepts of client perceived value from key incidents. However, the way a consultant acknowledges and reacts to such incidents may be crucial to the value provided to a client.

The rationale for the structure of the analysis shown in **Table 4-3** is a nested hierarchy of repeated stages, concepts and skills that are required to build relationships through which to provide client perceived value and successfully complete assignments. The literature relating to each level has similarities (**Table 4-3**), in that process stages, while differing in scale and detail, involve common

concepts. Each assignment episode, meeting or frame has an initiation, a termination, an agreed problem and some resulting actions. An assignment, which involves a series of episodes, can be considered to have similar stages and be addressed at a higher level through the same concepts. That is, initial meeting, problem solving meetings, action meetings and review / termination meetings. The typical format of an ISO 9000 project, involving work on a series of processes or procedures, is particularly suited to this hierarchical approach. The focus of this thesis is on the micro or personal communication aspect of the relationship. However the following analysis uses literatures to place these personal relationship skills in the context of higher levels of the relationship and also the technical context of an ISO 9000 project. Each of the proposed assignment process stages in **Table 4-3**, initial contact, problem clarification, gaining new insights, action strategies and termination are discussed below.

### **Initial contact skills**

Writers on the consultancy process (Block, 1981; Kubr, 1996; Wilson, 1996) emphasise the importance of project initiation, entry and contracting or project definition. They emphasise the importance of clear terms of reference, letters of engagement or verbal agreements. Both the client and consultant should have a clear idea of the problem to be addressed and the scope and timing of the work to be carried out by both the client and consultant. The key decisions at this stage involve the consultant and client deciding whether or not they are the right people to fulfil one another's expectations (Block, 1981, p5). When initial contact is viewed as a

recurring stage of assignment episodes, the concept is relevant to the successful completion of each session or episode. Episode contracting involves the decision on whether or not the consultant or key client contact are actually the right people to address, in detail, that particular element of a project. It is at such meetings that secondary client contacts are brought in or working meetings arranged. It would not be normal for ISO 9000 consultants to bring in specialist consultancy assistance. However, where specialist input is required, such as a procedure for a specialist technical process, the need is likely to be recognised at the initiation of a project element.

		<b>1st Stage</b>	<b>2nd Stage</b>	<b>3rd Stage</b>
		<b>Problem clarification</b>	<b>Gaining new insights</b>	<b>Treatment of the problem</b>
<b>GOALS</b>	<b>Helper</b>	Good rapport Better idea of problem	Select problems after differentiation and integration	Goal definition Choice of instruction / action programmes, promotion
	<b>Client</b>	Clearer precise view of problems	Clearer insight / choice of problems	Definition, choice of and achievement of goals
<b>TASKS</b>	<b>Helper</b>	Inspire confidence and trust, to listen, order discussion, develop ideas	Alternatives and connections Listen, clarify, order	Options, evaluation of choices, support of actions
	<b>Client</b>	Express problems, examine facts, feelings and actions	Express in words, explore, digest	Choice of actions, implementation and feedback

**Table 4-4**

**Lang *et al's* helping model**

**Table 4-4** is a summary of Lang *et al*'s (1990, pp70 -76) helping model which is expanded and analysed in relation to other literatures in **Table 4-3**. Lang *et al*'s (1990) approach to initial contact is very much from the point of view of a one to one relationship. As such the need for a formal agreement about goals, expectations and acceptable ways of working is not emphasised, allowing them to emerge as a relationship develops. Schein (1987) also advocates this approach, he writes that “*contracting is virtually a perpetual process*” (Schein, 1987, p143). This can be seen as supporting the notion that contracting is a recurring requirement throughout an assignment. Both Lang *et al* (1990) and Schein (1997) propose an approach to stages of ‘helping’ focused directly on cycles of problem solving through intervention. Schein (1997, p64) interprets this cycle as *involving “Observation - Emotional Reaction - Intervention – Judgement”* (Schein,1997, p64), whereas Lang *et al* (1990) propose a cycle of “*Problem Clarification - Gaining new insights - Treatment of the problem* (Lang *et al*,1990, pp70-75)”. **Table 4-4** demonstrates that Lang *et al*'s (1990) classification of stages fits well with the conventional stages of a consultancy project shown in **Table 4-3** (Block, 1981; Kubr, 1996; Wilson, 1996). Additionally, there is nothing in the process models of either Schein (1997) or Lang *et al* (1990) which does not complement the need for an explicit agreement at project or episode initiation about the structure of the relationship frame to follow. Activities considered by Lang *et al* (1990) to be part of problem clarification, such as an explanation of requirements for starting an interview and making initial contact, can be viewed to have particular relevance at the initiation of an assignment when considered at the assignment as opposed to episode level. The following activities emerge as

particularly relevant to consultancy skills shown at the initial contact stage in **Table 4-3**:

- Discussing client's goals and expectations;
- Discussing terms of project or meeting;
- Negotiating acceptable ways of working.

Appelbaum *et al*, (1984) found that small businesses, in particular, were sceptical about the worth of expected results from management consultancy, rather than being concerned about the fee. He also found that many small businesses viewed the need for consultancy support as an admission of incompetence by managers. These findings identify a particular need for sensitivity and expectation management by a consultant when initiating an assignment. The concept of a client needing to save face mentioned above, identified by Schein (1987, p86) is important where client contacts feel personally inadequate as a result of having to ask for a consultant's help.

### **Problem clarification skills**

As has been indicated, the boundaries between the stages of a cyclic consultancy process model cannot be rigid. Kubr (1996, p147) draws attention to the fact that preliminary problem diagnosis is often required at the contracting stage, prior to moving onto a more detailed investigation. Problem clarification relates to those project activities which involve the collection of data in order to define a problem in a precise and manageable manner (Block, 1981; Kubr, 1996; Wilson, 1996). Kubr (1996, p167) writes of the need for a conceptual framework of diagnosis to focus data

gathering and related conversations, so that the project does not lose focus.

Communication skills in general, and active listening in particular are very relevant to this stage of a process. These activities can be seen as requiring the skills needed to establish a working relationship. Lang *et al* (1990) provide the following structured insight (**Table 4-5**) into the communication skills that could be required of a consultant during problem clarification.

Lang <i>et al</i> (1990)	Explanatory notes	Consultancy skills identified in this thesis, for <b>PROBLEM CLARIFICATION</b>
		<i>At how many sessions was the skill displayed by the consultant(s).</i>
<b>‘Non’ - selective listening skills, attending behavior</b>		
Non-verbal behavior		<i>Listening to you</i>
Verbal following	encouragement	<i>Being open to your needs</i>
Silences		<i>Being adaptable in approach</i>
A retrospective view	tolerance of uncertainty - not jumping to conclusions	
<b>Selective listening skills</b>		
Asking questions		<i>Asking appropriate questions</i>
Paraphrasing of content		<i>Showing understanding</i>
Reflection of feeling		<i>Being sensitive to your position</i>
Concreteness		
Summarizing		
<b>Regulating skills</b>		
Goal setting and goal-evaluation	Order and clarity of dialogue	<i>Reviewing progress</i>
Situation clarification	Conversation about conversation	<i>Summarising main issues</i>
Thinking aloud		
Ending the interview		<i>Using time effectively</i>

**Table 4-5**  
**Skills for problem clarification**

**Skills for gaining new insights**

Writers are generally agreed that consultancy involves a stage of analysing and synthesising data prior to presenting a client with recommendations or alternative options. Both Block (1981) and Wilson (1996) see these activities as being part of the same project stage. Kubr (1996, p205), in contrast sees the development and proposal of alternatives as a process stage in itself. The following quote clarifies the difficulty writers have categorising consultancy process stages.

“In practice it is often difficult or inappropriate to make a strict distinction and draw a line between the diagnostic and the action-planning and even the implementation - phases of the consulting process.”  
(Kubr, 1996, p168)

**Table 4-6** groups data analysis and the presentation of alternative options within the gaining new insights process stage.

Lang <i>et al</i> (1990), unless otherwise indicated	Explanatory notes	Consultancy skills identified in this thesis, for <b>GAINING NEW INSIGHTS</b>
		<i>At how many sessions was the skill displayed by the consultant(s).</i>
<b>Making insightful connections</b>	integrating	
Giving information		<i>Providing necessary information</i>
Interpreting	explaining	<i>Explaining new concepts well</i>
		<i>Interpreting your situation correctly</i>
<b>Differentiating skills</b>		
Advanced accurate empathy	Outside client's frame of reference	
Confrontation	Confront client with insights	<i>Confronting problems</i>
Positive relabelling	Positive reconstruction	
Examples of one's own	Shared experiences	<i>Providing relevant examples</i>
Directness	Frank discussion about what's going on	<i>Clarifying jargon</i>
<b>Providing choices</b>		
Schein (1987) - Diagnosis is intervention	Action plans are contingent upon trials	<i>Encouraging experimentation</i>
Searching for ideas on possible solutions		<i>Providing alternative options</i>
Developing and evaluating alternatives		<i>Helping the client to choose solutions</i>
Presenting action proposals to the client		

**Table 4-6**  
**Skills for gaining new insights**

The result of differentiation and integration activities represents a gap between the literature on consultancy and the otherwise comprehensive process model of Lang *et al* (1990). Lang *et al* (1990) propose an attempt to deepen a client's understanding through a process of encouraging the client to take part in a cycle of exploring differences followed by integration. Lang *et al* (1990, p62) warn of the dangers of too little differentiation and being too quick to integrate, jumping to conclusions. Too much differentiation and too little integration, prevents the big picture from being addressed. In contrast analysis and synthesis is typically viewed as a technical activity within consultancy literature as a prelude to making recommendations. To varying degrees, writers on consultancy include recommendations as a part of the consultancy process (Kubr 1996, p214; Wilson, 1996, p207; Block, 1981, p176). In the more facilitative, or helping approaches (Kubr 1996; Schein 1987), this process stage involves presenting alternatives from which the client can select an option. In this facilitative framework, the client should have ownership of both the development and selection of options. Having approached the relationship process from a counselling perspective, Lang *et al* (1990) appear to have avoided the selection of alternatives as being too prescriptive. Their preferred approach is for the helper to provide a different way of thinking about issues, so that the client explores different ways of expressing new understanding. This thesis does not involve an exploration of the academic boundary distinctions between the disciplines of consultancy and counselling. However, it is argued that the difference in emphasis between Schein's (1987) helping model, in the context of consultancy and Lang *et al's* helping model, in the context of counselling, represents a small movement within a continuum of

approaches to consultancy shown in **Table 4-1**. The other extreme of this continuum is the opposite of facilitation represented by a detached directive approach, for example a single recommendation made within a consultancy report. One consistent element across the spectrum of this proposed continuum, is that the client has the responsibility for any final decision relating to whether an action is taken or not.

Kubr (1996, p207) emphasises the need for a consultant to develop alternative options in collaboration with the client. He (1996, p205) also emphasises the need for continuity between diagnosis and action planning. Kubr (1996, pp205 217) structures, what he refers to as, ‘Action Planning’ activities in the following way:

- Searching for ideas on possible solutions;
- Developing and evaluating alternatives;
- Presenting action proposals to the client.

This can be viewed as a conventional approach to this stage in a consultancy process, labelled in the analysis given in **Table 4-6** as ‘providing choices’. A contentious aspect of the analysis is the inclusion of ‘encouraging experimentation’ as a consultancy skill. It is suggested that a degree of controlled experimentation is often necessary to evaluate options and also to strengthen the collaboration aspect of the relationship process. Kubr (1996, p215) explains that a ‘phased approach’ can be applied to more than one alternative as part of the evaluation process. The benefits of learning through intervention are very much part of action research which underlies Schein’s (1987, p148) consultation approach. Unlike the more conventional, staged approach described by Kubr (1996), Schein (1987) sees continued action research,

evaluation and learning as a task for the client, both within and after a consultancy project.

### **Skills for action strategies**

Lang *et al* (1990) stress that the action programme steps are often repeated in cycles, involving a new start, after evaluation of previous actions. The concept of treatment, rather than being prescriptive, is a mutual learning process, or ‘treatment as education’ (Table 4-7). Lang *et al* (1990) outline the following action programme steps, with step 9 providing an opportunity to return to step one.

- “ 1. Identification and clarification of problems
2. Increasing the insight into problems
3. Priorities
4. Goals
5. Means
6. Criteria
7. Execution
8. Evaluation
9. A new start
10. The end”

*Lang et al (1990)*

The above stages are not only relevant to consultancy at the assignment level but, to every episode within an assignment. Where an assignment can be modularised into manageable segments then step 10 may be achieved in relation to one segment, at an early stage of the assignment. For example, within an ISO 9000 project, a particular process may be documented and successfully implemented to an extent where no further consultancy time is required. Another process may be problematic and require a series of new starts at successive meetings, or episodes, before that particular sub-goal is met. A consultant needs to display skills relating to these stages at both the assignment and the episode levels and needs to integrate the two levels in an efficient manner to improve the value of a consultancy assignment.

Lang <i>et al</i> (1990)	Explanatory notes	Consultancy skills identified in this thesis, for <b>ACTION STRATEGIES</b>
<b>STRATEGIES FOR TREATMENT</b>		<i>At how many sessions was the skill displayed by the consultant(s).</i>
<b>Treatment</b>		
The client's own attempts		<i>Adapting to your capabilities</i>
Levels of treatment		<i>Addressing appropriate staff level</i>
Naming	Action metaphors and symbolic actions	
Acceptance		<i>Stimulating necessary commitment</i>
Action		
<b>Goal-directed action</b>		
Formulating goals		
Specific action		<i>Agreeing appropriate actions</i>
Degrees of difficulty		<i>Agreeing a realistic workload</i>
Proximity	short / long term	
Ownership		<i>Encouraging ownership of actions</i>

**Table 4-7**  
**Skills for action strategies**

### **Termination skills**

The termination stage of an assignment, broken down in **Table 4-8**, is largely self explanatory. It provides a link between successive assignments, both in terms of the consultant's experience and the client's evaluation of an assignment. The typical aim of an ISO 9000 assignment is to terminate the assignment after registration, leaving the client in control of the quality management system.

Lang <i>et al</i> (1990)	Explanatory notes	Consultancy skills identified in this thesis, for <b>TERMINATION</b>
<b>STRATEGIES FOR TREATMENT</b>		<i>At how many sessions was the skill displayed by the consultant(s).</i>
<b>Termination</b>		
Referral		<i>Evaluating achievements</i>
The client does not want to go on		<i>Developing your understanding</i>
The helper does not want to go on		
The goal has been reached		<i>Achieving goals</i>

**Table 4-8**  
**Termination skills**

## **The relationship marketing concept applied to professional services**

The following addresses the account development level of a consultancy relationship shown in **Figure 4-1** and **Table 4-3**. Agency-client relationships can develop through complex cycles of inter-organisational assignments, involving many individuals over long periods of time (Halinen, 1997; Ford *et al*, 1998). It is important to the relationship between a client and consultant, within an individual assignment, to have an awareness of the strategic and commercial relationship between two organisations. It is significant that Halinen (1997) links satisfaction in the assignment process with that of the business relationship at the account level, that is any further assignments with that client organisation. This is a further justification for focusing, in particular, on personal relationship development within the assignment process. Thus a

consultant addresses the potential relationship at the account development level, primarily through the successful completion of each assignment.

Burns and Stalker (1966, p233) identify the way in which individuals within a management system develop a personal perspective of the way other members of the organisational interact. A consultant has to understand the personal perspective of a client contact in order to stimulate the dialogue necessary to facilitate change. The consultant may be able to partially change the client contact's personal perspective to that of other members of the organisation. Otherwise the consultant may counterbalance the dominance of a key contact by developing relationships with secondary contacts. However, the consultant is inevitably influenced by the view of the organisation presented by the individuals that have the most input to the consultancy assignment.

Hakansson *et al* (1995) identify how a relationship develops, "*as a chain of interacting episodes*" (Hakansson *et al*, 1995, p25). They analyse business relationships at the inter-organisational level and identify the critical relationship variables to be the benefits of a relationship rather than the cost savings (Hakansson, 1995, p396). Despite this most of the focus of their analysis is on cost savings and efficiencies resulting from formal, technical relationships between organisations. This inter-organisational focus on relationship value misses much of the detailed processes through which client perceived value is generated through relationships. It is suggested that this results from the complexity of inter-personal contacts, from a

relationship marketing perspective, which primarily addresses inter-business relationship strategy. Ford *et al* (1998, p161) suggest that, despite some obvious benefits in cultivating personal relationships between supplier and customer contacts, managers may wish to limit the reliance of an organisation on such relationships because they are not easy to control. Relationship management theorists have difficulty in studying value in relation to the personal histories and variation between individual organisation members:

*“What is valued by others is subject to continuous change and is always specific for parties in a relationship” (Hakansson, 1995, p396).*

Lang *et al*'s (1990, p12) 'philosophy of the helper' can be compared with Schein's (1987, p21) 'general theory of helping'. Both can be viewed as aiming to develop a relationship with a client, in order to enable the client organisation to help itself in a non prescriptive manner. The main difference is that Lang *et al* (1990), in addressing inter-personal relationships, focus on an individual's communication skills, whereas Schein (1987) emphasises the importance of the organisational culture of the client organisation as well as individual psychological relationships.

The relationship with a client organisation, as opposed to an individual, is the conventional way of viewing the client-consultant process. Columns 3 and 4 of **Table 4-3** show the assignment stages involved. These stages recur in the literature with only slight variation (Kubr, 1996; Block, 1981; Wilson, 1996). **Table 4-3** demonstrates that as the relationship cycle is viewed from a broader perspective, the conceptual stages from initial contact to termination remain analogous. Column 5 of **Table 4-3** uses a model of key account management (Payne, 1995) to demonstrate

that similar concepts apply to client relationship theory, viewed at a macro or long term strategic level, that most concerns relationship marketing theorists (Storbacka *et al*, 1994; Payne, 1995; Juttner *et al*, 1994; Ford *et al*, 1998). The macro relationship level is also addressed by Halinen (1997) in her “*modified process model of the development of advertising-client relationships*” (Halinen, 1997, p180. Her model maps the complex interactions and temporal relationships between dimensions of an agency-client relationship. Halinen (1997, p310) considered the findings of her research to be transferable to other professional services.

## **Holographic metaphor**

The principle inherent in the literatures discussed above (**Table 4-3**) can be viewed by means of a holographic metaphor (Morgan, 1996), in which a client’s perception of the assignment as a whole is dependent upon the cumulative perceptions of each episode. The clarity, value and wholeness of each episode projects a strategic image of the progress of the project as a whole, whereas the perceptions of the assignment as a whole focus on critical episodes at key assignment stages, supported by a cumulative image of less memorable episodes. The activities support and reinforce each other at different levels of scope and time frame (**Table 4-3 and Figure 4-1**). Assignment episodes can, thus, resonate with each other to blur the perception of distinctions between one episode and another. Similarly the client’s perception of the assignment as a whole resonates with a blurred image of episodes and critical episodes in particular. The intensity and clarity of these resonant perceptions, and

thus client perceived value, is dependent upon the amount of repetition and also the importance of episode events. That is, an event, deemed not to be of value in itself, may take on value, through repetition at every episode of an assignment, whereas, a single important event may have value in the context of the assignment as a whole. Any consultancy skill may take on particular significance when viewed in the context of a client's perception of an assignment as a whole.

An awareness of client expectations at key assignment stages, enables a consultant to focus skills in a manner which increases the chances of creating positive images of client perceived value. In conventional service quality models (Freeman *et al*, 1993; Berry *et al* 1985; Zeithaml *et al*, 1990), the client is required to be co-operative and make decisions, but is primarily reactive. In contrast, a consultant's role can be viewed as reactive, it being so dependent upon the continued dialogue and commitment of the client. From a relationship development perspective, resonance can be viewed as the degree to which either party to a relationship makes adjustive responses to the other. Fogel (1993) describes this type of relationship response:

“the ‘adjustive’ response of the social partner that is becoming co-ordinated into a consensual frame with one's own makes one's action more readily perceived as meaningful by the partner.” (Fogel,1993, p76)

The concept of holographic resonance applies across episodes of varying scope and time frames within an assignment. It is argued that resonance between the perceptions of value of both the consultant and client is an important aspect of relationship development. This concept is expressed in the literature as empathy.

The concept of resonance can be extended further, with regard to the relationships between a client contact and colleagues. The content of the client consultant

relationship requires an understanding of key relationships within the client's organisation. If the client contact reports to someone with greater authority, particularly if that person pays the consultancy bill, then an understanding of the relationship with this individual is particularly important. A skill of the consultant is to second guess implications of actions, with regard to this relationship, and to a lesser extent other relationships between the client contact and colleagues. This can be seen as relating to cultural and political considerations. In the same way that holographic resonance takes place between project episodes and a project as a whole, organisational resonance takes place between the consultancy client relationship and the relationship with the client organisation as a whole. The concept of resonance between key individuals and others in an organisation relates to Quinn's (1980, p178) concept of interplay between multiple competing personal and inter-personal goals. Quinn (1980, p178) identifies the need to satisfy multiple goals within a complex hierarchy. It is suggested that this supports the need for client perceived value to be addressed through multiple elements within a hierarchical process, in order to address all the relevant aspects of a consultant's relationship with a client. A personal perception of value between consultant and key client contact is limited if it cannot be extended to the commercial interest of the client organisation. If the consultant-client relationship does not fit (or resonate with) the requirements of the organisation as a whole then the project could fail, unless the key contact was personally dominant in defining its commercial success.

While the metaphor of holographic resonance may be difficult to substantiate in a verifiable manner, it is suggested that consultants need such images to guide activities, when attempting to apply a consultancy process model within a complex commercial environment. It is suggested that such intuitively guided paradigms are necessary for the successful application of a process model reduced to a simplified structure of those elements which are amenable to a degree of objective substantiation. Relationship marketing literature acknowledges difficulties in attempting to manage inter-personal relationships. For this reason Ford *et al* (1998, p262) propose the recruitment of new staff with valuable existing networks of contacts. However, Welch *et al* (pp579-602) indicate that existing networks do not always support the required development of new relationships.

## **A dialogical approach to the relationship development process**

Fogel's (1993) approach to relationship development is of particular relevance because it provides a conceptual framework with which to address the process of relationship development between a client contact and consultant. A concern with the outcomes of a relationship, such as client perceived value, requires a consideration of Fogel's (1993) explanation of relationships as a means of creating information. Fogel (1993) defines relationship development as follows:

*"I propose that relationships are systems engaged in the creation of consensual frames having themes of information. The result of the mutual exploration of one theme at a time, followed by a shift to another theme, corresponds to a process over time in which stable consensual frames of co-regulated action persist and then shift abruptly to different consensual frames. Relationships not only move between different themes, they also repeat the same themes many times until such themes are dropped from the repertoire." Fogel (1993, p109)*

Consensual frames can be viewed as a series of episodes or meetings within which a relationship between a consultant and individual client contact develops. Themes can be viewed as the explicit work topics and underlying relationship themes addressed at each assignment stage. It is important to distinguish between the achievement of a client's goals in a quality management system assignment and the achievement of client perceived value. While the client's stated or espoused goal may be to achieve ISO 9000 registration, the consultant's commercial goal can be a more general approach to providing client perceived value. The client may experience value as a relationship develops without necessarily achieving the stated assignment goal. Obviously shared objectives and targets are a practical necessity, the boundaries of which overlap with the general pursuit of client perceived value. However, profitable communications exchanges don't necessarily require goals. Fogel (1993) supports this assertion.

*"Goal is one of those useful metaphors that describes regularity in action from the observer's point of view, but that may not be the way in which the participants are organizing their own actions."*

*"It is not necessary to assume that participants share the same aims in order to achieve a co-regulated discourse."*

*"Focusing on goals and rules as primary cause of such coordinations misses the essence of the process." Fogel (1993, p58)*

The concept of a relationship episode, employed in this thesis, is influenced by Fogel's (1993) concept of a relationship frame, accepting that a frame can be a series of episodes or a single episode.

*"We can formalize the description of the frame, therefore, as the set of degrees of freedom that have been consensually constructed, via the initial co-regulated negotiation."*

*"The co-regulated creation of consensual frames is the process by which relationships develop." Fogel (1993, p104)*

Applying these concepts to a consultancy assignment involves the voluntary reduction of degrees of freedom by both parties in the act of agreeing to pay attention to one another in order to address the work at hand. Habits, patterns and rules can then be seen to emerge through the attention paid to the relationship as it develops.

Fogel (1993) identifies the importance of the distinction between variants and invariants within the flow of action and perception as a relationship develops.

*“information is created out of the perceived relationship between variants and invariants” Fogel (1993, p68)*

*“Dialogue is all there is” it “creates patterns that individuals can perceive as invariants within the flow of action”. Fogel (1993, p179)“*

Cumulative perceptions emerge from habits and repeated practices, which can be interpreted as invariants within a relationship. In contrast, key incidents are by nature special events, which differ from the norm and can be viewed as variants. The dynamic time dimension of client perceived value is more meaningfully represented through this incident based approach than would be the case with a time dimension based on assignment duration or number of days. The real time consideration is of primary importance within the working episode of an assignment. Whereas the retrospective perception is mostly relevant to the judgement of the commercial value of a an assignment as a whole, with particular regard to any judgement about the use of the consultant for subsequent assignments.

Musgrave *et al* (1996) identify factors that influence relationships, grouped under four main headings:

- CONTROL – categorised as authority, accountability, dexterity (relationship skills) and responsibility;
- EMOTION – categorised as approval, fairness of exchange, respect, satisfaction and trust;
- OPERATION – categorised as accuracy of information, availability of resources, capability, ease of operation, knowledge and responsiveness.
- STRUCTURE – categorised as flexibility, formality and openness.

While this is a useful structure for studying dimensions of a relationship, the methodologies proposed by Musgrave *et al* (1996, p130) are based on a comparison of the perceptions of two parties to a relationship at a point in time. This is viewed as a static approach to the study of relationships in contrast to the dynamic and continuous dialogical approach proposed by Fogel (1993), who identifies the need for a continuous fluid, non-linear, conception of time within an analysis of relationships.

*“Our relationship to the future is identical to our relationship to the past and present, through participation and imagination.” Fogel (1993, p124)*  
*“direction is not a static initial condition, not an executive giving orders that guide action, it is a fluid part of a dynamic perception-action system.” Fogel (1993, p125)*

This approach to time is clearly complementary to that of relationship marketing as revealed by Ford *et al* (1998, p7), who posit that each episode of a relationship is determined by previous episodes and in turn influences future episodes over time spans of many years.

## **Conclusions**

An analysis of literatures suggests that a consultancy relationship consists of a nested hierarchy of three relationship levels, the account level, the assignment level and the episode level. Five process stages are common to each relationship level. These are initial contact, problem clarification, gaining new insights, action strategies and termination. It is suggested that client perceived value is primarily generated through consultancy skills applied at the assignment episode level.

# **Chapter Five**

## **RESEARCH FINDINGS**

### **– THE SURVEY**

#### **Objectives**

The objectives of this chapter are to present the findings of the skills questionnaire and key incident satisfaction surveys, sent jointly to clients who had experienced ISO 9000 consultancy. The skills questionnaire is designed to explore any link between consultancy styles and the frequencies with which different skills are perceived to have been applied, by consultants. The satisfaction survey is designed to explore client perceived value through consultancy incidents that clients found to be particularly satisfying or dissatisfying.

#### **Response rates**

A DTI register was used to identify companies that were registered to ISO 9000 on the assumption that a high proportion of these companies would have client contacts that had experienced working relationships with quality consultants (DTI QA Register, September, 1997). 2000 such companies were surveyed. It would have been impractical to attempt to identify non-registered clients of failed ISO 9000

consultancy assignments. The 9% usable response rate was low, but considered adequate. The surveys were preceded by a pilot study that indicated the need for the questionnaire to be short to stimulate a response. The resource required to follow up the 2000 questionnaires with reminders outweighed the potential benefit, considering that many companies surveyed would not have an appropriate contact who had experienced a quality consultancy assignment. Useful responses to the combined skills questionnaire and key incident satisfaction survey were as follows.

- 176 clients identified skills that they considered to be particularly important for a consultant to display.
- 159 clients identified frequencies with which consultants had applied particular skills. Eight of these failed to indicate the corresponding consultancy style or combination of styles employed.
- 174 clients indicated the size of their organisation. However, this did not address links to other sites within the organisation.
- 150 clients provided examples of incidents where they had been particularly satisfied or dissatisfied with consultants.

The proportions and averages used within the analysis of the skills questionnaire are based, as appropriate, on either the number of relevant respondents or the number of relevant responses. Some respondents ticked more boxes than others, thus having a disproportionate influence on the findings. The skills questionnaire and key incident survey are given in **Appendix 1** together with the accompanying letter, sent to clients.

## **Respondent population**

The dimensions (turnover, size, ownership) and complementary scales used to define the size of a business can vary (Kubr, 1996, p378; West Midlands Business Survey, 1995, p20). One commonly accepted definition of a small and medium sized business (SME) is one with less than 500 employees (Ghobadian *et al*, 1996, Foresight ITEC, c1995; Cosh *et al*, 1998). The Department of Trade and Industry (DTI) identifies a micro firm as having up to 9 employees, a small firm as having between 10 and 49 employees and a medium firm as having between 50 and 249 employees (Department of Trade and Industry, 1997). Only 14 useful responses out of a total of 174 were from large organisations having 500 or more staff at the registered location. Thus, 92% of responses can be viewed as relating to SMEs or small independently registered sites owned by large organisations. A further 7 (4%) indicated that they had between 250 and 499 employees on the organisation site at which the ISO 9000 assignment took place. The breakdown of the 174 usable responses is as follows in

**Table 5-1:**

Size of firm	Number of responses in this thesis	Percentage responses in this thesis (total 174)	Percentage responses in Clark's (1997) study (total 1375)
less than 10 employees	10	6%	12%
less than 50 employees	77	44%	-
with less than 100 employees	108	62%	-
with less than 250 employees	153	88%	87%
with less than 500 employees	160	92%	95%

**Table 5-1**

**Breakdown of questionnaire responses by company size**

There is supporting survey evidence to indicate that the response rate from larger companies is representative of the population, that is ISO 9000 registered companies (Clark, 1997). Clark identifies 12% of registered companies to have less than 10 employees, 87% to have less than 250 employees and 95% to have less than 500 employees (Clark, 1997). **Table 5-1**, shows the only significant difference between response rates in this thesis and Clark's findings, besides the size of his study (1375 registered firms), is the response from companies with less than 10 staff. In this survey it was half the proportion indicated by Clark (1997), that is 6% with less than ten staff compared to Clark's 12%. To formalise the possible significance of the difference between the proportion of responding firms with less than 10 staff and the actual proportion the following calculated statistic  $Calc\ z = (x/n - p) / \sqrt{(p(1-p)/n)}$  must be compared with the appropriate tabulated value  $Tab\ z = 1.645$  (Rees, 1989, pp 106 to 107).  $Calc\ z = (0.12-0.06) / \sqrt{(0.1 \times 0.88 / 174)} = 2.4$ . **As Calc z is greater than Tab z, the difference is significant to 5% indicating a low response rate from very**

**small companies.** Given that Clark (1997) indicates that 88% of registered companies had 10 staff or more, the small response rate for very small companies is not considered to have a major effect on the findings in this thesis.

It is assumed that a proportion of responses were from small independently registered sites, owned by large organisations. The exact proportion depends on the definition of a SME applied and a consideration that an unknown proportion of the sites surveyed belonged to larger groups. It is important to note that the research did not identify the degree to which an organisation was independent of a larger legal entity, as has been the case in some research designed to specifically address small businesses (North *et al*, 1998). It could be expected that a small office seeking independent registration to ISO 9000, but belonging to a larger group, would have much in common with a small autonomous business, with regard to its need for registration and perceptions of ISO 9000 consultancy. Given the limited scope for analysis offered by the small number of responses from large organisations, together with uncertainties about the exact organisational status of sites contacted, there were no obvious differences in the pattern of responses. Studies with a more precise definition of company type and size could find such a relationship. As the questionnaires for this thesis addressed personal relationship development, it would not be surprising if the relationship development between a consultant and client contact is similar within a small and large organisation. The major difference is considered to relate to complexities emerging from the increased likelihood of multiple relationships experienced in professional services to larger businesses.

## **Findings of the consultancy skills questionnaire**

The key findings of the skills questionnaire survey are presented in **Tables 5-2 to 5-4**, which form the basis of the subsequent analysis and discussion. The tables are structured as follows:

- **Table 5-2** is a full presentation of the responses identifying which skills were considered to be important and the frequencies with which the skills had actually been displayed.
- **Table 5-3** compares the most frequently applied consultancy skills (at most or all times in **Table 5-2**) with the corresponding consultancy styles indicated by clients.
- **Table 5-4** expands on **Table 5-2** to compare and contrast clients' opinions of which skills are important with their experiences of skills actually displayed by consultants.

PROJECT STAGES	Tick any particularly important skills	Total responses to frequency questions	How often did sessions involve the consultant(s) displaying this skill (tick)			
			Never	Some times	At most times	At all times
<b>Consulting relationship skills</b>	Total 176 respondents					
<b>INITIAL CONTACT</b>						
Discussing your goals & expectations	128 (73%)	124	5 (4%)	33 (27%)	54 (43%)	32 (26%)
Discussing terms of project or meeting	90 (51%)	107	9 (8%)	43 (40%)	33 (31%)	22 (21%)
Negotiating acceptable way of working	102	125	15 (12%)	42 (34%)	40 (32%)	28 (22%)
<b>PROBLEM CLARIFICATION</b>						
Listening to you	133 (76%)	128	2 (1%)	24 (19%)	37 (29%)	65 (51%)
Being open to your needs	113 (64%)	121	7 (6%)	33 (27%)	33 (27%)	48 (40%)
Being adaptable in approach	123 (70%)	122	14 (11%)	25 (21%)	37 (30%)	46 (38%)
Asking appropriate questions	121 (69%)	131	3 (2%)	33 (25%)	48 (37%)	47 (36%)
Showing understanding	108	130	2 (1%)	40 (31%)	39 (30%)	49 (38%)
Being sensitive to your position	89 (51%)	109	7 (6%)	30 (28%)	32 (27%)	40 (39%)
Reviewing progress	97	120	7 (6%)	36 (30%)	28 (23%)	49 (41%)
Summarising main issues	90 (51%)	117	9 (8%)	39 (33%)	35 (30%)	34 (29%)
Using time effectively	123 (70%)	134	8 (6%)	37 (28%)	35 (26%)	54 (40%)
<b>GAINING NEW INSIGHTS</b>						
Providing necessary information	97	120	7 (6%)	29 (24%)	44 (37%)	40 (33%)
Explaining new concepts well	100	115	14 (12%)	44 (39%)	35 (30%)	22 (19%)
Interpreting your situation correctly	123 (70%)	128	9 (7%)	36 (28%)	51 (40%)	32 (25%)
Confronting problems	100	120	9 (7%)	38 (32%)	37 (31%)	36 (30%)
Providing relevant examples	91	111	11 (10%)	45 (41%)	32 (29%)	23 (21%)
Clarifying jargon	113 (64%)	118	9 (8%)	45 (38%)	30 (25%)	34 (29%)
Encouraging experimentation	46 (26%)	99	35 (35%)	37 (38%)	17 (17%)	10 (10%)
Providing alternative options	101	118	21 (18%)	42 (36%)	36 (30%)	19 (16%)
Helping you to choose solutions	105	120	14 (12%)	36 (30%)	42 (34%)	29 (24%)
<b>ACTION STRATEGIES</b>						
Adapting to your capabilities	99	122	10 (8%)	34 (28%)	37 (30%)	41 (34%)
Addressing appropriate staff level	76 (43%)	105	16 (15%)	24 (23%)	30 (29%)	35 (33%)
Stimulating necessary commitment	89 (51%)	118	19 (16%)	31 (26%)	33 (28%)	35 (30%)
Agreeing appropriate actions	97	119	4 (3%)	27 (23%)	38 (32%)	50 (42%)
Agreeing a realistic workload	94	118	10 (9%)	25 (21%)	40 (34%)	43 (37%)
Encouraging your ownership of actions	94	114	7 (6%)	23 (20%)	29 (26%)	55 (48%)
<b>TERMINATION</b>						
Achieving goals	109	130	10 (8%)	29 (22%)	51 (39%)	40 (31%)
Developing your understanding	103	113	9 (8%)	28 (25%)	43 (38%)	33 (29%)
Evaluating achievements	89 (51%)	111	14 (13%)	37 (33%)	33 (30%)	27 (24%)
<b>Totals</b>	<b>3043</b>	<b>3568</b>	<b>316</b>	<b>1025</b>	<b>1109</b>	<b>1118</b>
<b>Averages</b>	<b>Mean = 101.4 (56.7%)</b>	<b>Mean = 118.9</b>	<b>8.9% and 28.7% Mean = 38%</b>		<b>31.1% and 31.3% Mean = 62%</b>	

Significant variations are highlighted and shown in TABLE 5-4

**Table 5-2**

**Responses to the skills questionnaire**

PROJECT STAGES	Responses that indicated style	Number of responses where consultants displayed the indicated skill at most or all sessions				
		Facilitator	Expert	Specialist	Facilitator & specialist	Other
Consulting relationship skills	Out of 151 relevant respondents					
<b>INITIAL CONTACT</b>						
Discussing your goals & expectations	78	40 (51%)	19 (24%)	5 (7%)	11 (14%)	3 (4%)
Discussing terms of project or meeting	53	25 (47%)	17 (32%)	4 (8%)	5 (9%)	2 (4%)
Negotiating acceptable way of working	62	29 (47%)	17 (27%)	3 (5%)	10 (16%)	3 (5%)
<b>PROBLEM CLARIFICATION</b>						
Listening to you	99	45 (46%)	25 (25%)	9 (9%)	15 (15%)	5 (5%)
Being open to your needs	76	42 (55%)	15 (20%)	4 (5%)	13 (17%)	2 (3%)
Being adaptable in approach	79	41 (52%)	17 (22%)	6 (7%)	13 (16%)	2 (3%)
Asking appropriate questions	94	49 (52%)	22 (23%)	5 (6%)	15 (16%)	3 (3%)
Showing understanding	84	44 (52%)	17 (20%)	5 (6%)	14 (17%)	4 (5%)
Being sensitive to your position	70	38 (54%)	17 (24%)	3 (5%)	9 (13%)	3 (4%)
Reviewing progress	75	36 (48%)	20 (27%)	4 (5%)	11 (15%)	4 (5%)
Summarising main issues	66	33 (50%)	17 (26%)	3 (4%)	10 (15%)	3 (5%)
Using time effectively	83	42 (51%)	14 (17%)	7 (8%)	15 (18%)	5 (6%)
<b>GAINING NEW INSIGHTS</b>						
Providing necessary information	78	40 (51%)	18 (23%)	4 (5%)	13 (17%)	3 (4%)
Explaining new concepts well	56	30 (54%)	13 (23%)	4 (7%)	7 (9%)	2 (3%)
Interpreting your situation correctly	81	42 (52%)	17 (21%)	7 (9%)	11 (14%)	4 (5%)
Confronting problems	69	33 (48%)	16 (23%)	5 (7%)	12 (17%)	3 (4%)
Providing relevant examples	55	26 (47%)	15 (27%)	4 (7%)	9 (16%)	1 (2%)
Clarifying jargon	64	34 (53%)	15 (23%)	4 (6%)	10 (16%)	1 (2%)
Encouraging experimentation	27	18 (67%)	5 (19%)	2 (7%)	2 (17%)	0 (0%)
Providing alternative options	52	24 (46%)	13 (25%)	3 (6%)	9 (17%)	3 (6%)
Helping you to choose solutions	71	35 (49%)	16 (23%)	5 (7%)	12 (17%)	3 (4%)
<b>ACTION STRATEGIES</b>						
Adapting to your capabilities	70	35 (50%)	15 (21%)	4 (6%)	11 (16%)	5 (7%)
Addressing appropriate staff level	61	31 (51%)	11 (18%)	7 (12%)	10 (16%)	2 (3%)
Stimulating necessary commitment	62	31 (50%)	14 (22%)	6 (10%)	10 (16%)	1 (2%)
Agreeing appropriate actions	85	42 (49%)	21 (25%)	7 (8%)	11 (13%)	4 (5%)
Agreeing a realistic workload	83	43 (52%)	20 (24%)	5 (6%)	12 (14%)	3 (4%)
Encouraging your ownership of actions	79	41 (52%)	17 (21%)	8 (10%)	11 (14%)	2 (3%)
<b>TERMINATION</b>						
Achieving goals	88	42 (48%)	21 (24%)	5 (6%)	15 (17%)	5 (5%)
Developing your understanding	74	35 (47%)	20 (27%)	6 (8%)	12 (16%)	1 (1%)
Evaluating achievements	58	32 (55%)	13 (22%)	2 (4%)	9 (16%)	2 (3%)
<b>TOTALS</b>	<b>2132</b>	<b>1078 (51%)</b>	<b>497 (23%)</b>	<b>146 (7%)</b>	<b>327 (15%)</b>	<b>84 (4%)</b>

Note: unlike Table 5-2, respondents that did not indicate a consultancy style have been excluded.

**Table 5-3**

**Skills as indicators of consultancy approach**

LEAST IMPORTANT SKILLS	MOST IMPORTANT SKILLS	LEAST FREQUENT SKILLS	MOST FREQUENT SKILLS
A relatively small proportion of respondents identified the following consultancy skills to be particularly important compared to the average, 57%:	A relatively large proportion of respondents identified the following consultancy skills to be particularly important compared to the average, 57%:	A significantly small proportion of respondents indicated that these skills were displayed at most or all times by consultants compared with the average of 62%	A significantly large proportion of respondents indicated that these skills were displayed at most or all times by consultants compared with the average of 62%
<p><u>Initial Contact</u> <b>Discussing the terms of a project or meeting (51%)</b></p> <p><u>Problem clarification</u> Being sensitive to the clients position (51%) Summarising main issues (51%)</p> <p><u>Gaining new insights</u> <b>Encouraging experimentation (26%)</b></p> <p><u>Action strategies</u> Addressing appropriate staff level (43%) Stimulating necessary commitment (51%)</p> <p><u>Termination</u> <b>Evaluating achievements (51%)</b></p>	<p><u>Initial Contact</u> <b>Discussing client's goals and expectations (73%)</b></p> <p><u>Problem clarification</u> <b>Listening to the client (76%)</b> Being open to the client's needs (64%) Being adaptable in approach (70%) <b>Asking appropriate questions (69%)</b> Using time effectively (70%)</p> <p><u>Gaining new insights</u> Interpreting the clients situation correctly (70%) <b>Clarifying jargon (64%)**</b></p>	<p><u>Initial Contact</u> <b>Discussing the terms of a project or meeting (48%)</b> Negotiating an acceptable way of working (46%)</p> <p><u>Gaining new insights</u> Explaining new concepts well (49%) Providing relevant examples (49%) <b>Clarifying jargon (54%)**</b> <b>Encouraging experimentation (27%)</b> Providing alternative options (46%)</p> <p><u>Termination</u> <b>Evaluating achievements (54%)</b></p>	<p><u>Initial Contact</u> <b>Discussing client's goals and expectations (69%)</b></p> <p><u>Problem clarification</u> <b>Listening to the client (80%)*</b> <b>Asking appropriate questions (73%)*</b></p> <p><u>Gaining new insights</u> Providing necessary information (70%)</p> <p><u>Action strategies</u> Adapting to client's capabilities (74%) Agreeing appropriate actions (72%) Agreeing a realistic work load (71%) Encouraging client's ownership of actions (74%)</p> <p><u>Termination</u> Achieving goals (70%)</p>
The 5% significance level of the above was based on Calc z greater than Tab z = 1.645, where p = 57% and n = 176, where $Calc z = (x/n - p) / (\sqrt{p(1-p)/n})$ and x/n is the respective percentage shown in column two of <b>Table 5-2</b> (Rees 1989, pp106-107) .		The 5% significance level of the above was based on Calc z greater than Tab z = 1.645, where x=frequency of skills displayed at most or all times for each question, where p = 62% and n = total responses to each question, where $Calc z = (x/n - p) / (\sqrt{p(1-p)/n})$ and x/n is the respective percentage shown by adding columns six and seven in <b>Table 5-2</b> (Rees 1989, pp106-107) .	

**Table 5-4**

**Significant variations to clients indications of particularly important consultancy skills compared with significant variations in the frequencies with which skills were displayed**

The remaining skills, which did not appear as significant (5%) in the above analysis in **Table 5-4**, are as follows:

**Problem clarification**

Showing understanding

Reviewing progress

Summarising main issues

**Gaining new insights**

Confronting problems

Helping you to choose solutions

**Termination**

Developing client's understanding

Of the 176 respondents 14% indicated that all the consulting relationship skills included within the skills questionnaire were particularly important. While the above showed no significant variation from average responses, for all skills grouped an average of 57% of respondents indicated that they were particularly important and on average 62% of consultants displayed these skills at most or all times. This validates the inclusion of these skills as being necessary for consultants to achieve client perceived value (**Table 5-2**). Significant variations in responses from averages are identified in **Table 5-4**. Some of these are clustered around particular consultancy assignment process stages. These findings are discussed below under the relevant assignment stage headings.

### **Initial contact**

**Table 5-4** shows that a relatively high proportion of consultants discussed clients goals and expectations. This contrasts with a relatively low proportion that discussed the terms of an assignment or negotiated acceptable ways of working. The low frequency of the latter skill suggests that consultants were primarily focussed on the value of the assignment result to the client rather than its experience. A relatively high proportion (73%) of client respondents indicated these skills to be particularly important, mirroring the consultants emphasis on goals and expectations. This indicates that most clients also prioritised results over the process through which they were achieved.

### **Problem clarification**

Five of the skills indicated to be relatively important by respondents in **Table 5-4** relate to problem clarification skills. This indicates that respondents considered the problem clarification stages of an assignment to be of particular value. Taking the problem clarification skills as a group, on average 32% (356/1112) of consultants were reported to have never or only sometimes displayed these skills (calculated from **Table 5-2**). Applying the formula  $Calc\ z = (x/n - p) / \sqrt{(p(1-p)/n)}$  compared with Tab z of 1.645, for 5% significance (Rees 1989, pp106-107), where  $n = \frac{1112}{9} = 124$  and  $x/n = \frac{356}{124} = 2.87$  and  $p = 0.62$  (**Table 5-2**). This gives a figure for  $Calc\ z = 1.4$  compared with  $Tab\ z = 1.645$  indicating that the null hypothesis cannot be rejected. That is there is no significant difference

between average skill frequencies and those for problem clarification as a group. Two relatively important problem clarification skills (marked \* in **Table 5-4**), listening to clients and asking appropriate questions were displayed at most or all sessions in 80% and 73% of assignments respectively. Two skills, being sensitive to the clients position and summarising main issues, were indicated to be relatively less important on average by respondents.

### **Gaining new insights**

Five of the least frequently displayed skills relate to gaining new insights. This indicates that consultants generally pay less attention to these skills than others, on the basis of the frequency with which they are displayed. Less than half of the consultants involved regularly explained new concepts well, provided relevant examples, or provided alternative options. Taking skills for gaining new insights as a group, on average 46 % (481/1049) of consultants were reported to never or only some times display these skills (calculated from **Table 5-2**). Again applying the formula  $Calc\ z = (x/n - p) / \sqrt{(p(1-p)/n)}$  compared with Tab z of 1.645, for 5% significance (Rees 1989, pp106-107), where n = the group average of relevant respondents =  $1049/9 = 117$  and  $x/n$  = the group average frequency at most or all times = 0.54 and p = population average at most or all times = 0.62 (**Table 5-2**). This gives a figure for  $Calc\ z = 1.78$  compared with Tab z = 1.645 indicating that the null hypothesis is rejected.

**This indicates that on average skills grouped under gaining new insights were displayed significantly less often than the average for all skills.** The skill of clarifying jargon is of particular interest (marked \*\* in **Table 5-4**). Of all the skills in the questionnaire, this was the only one that was identified as relatively important, but had a significantly low frequency of being displayed by consultants. Encouraging experimentation stands out as having half as many respondents considering it to be particularly important than any other skill. The frequency with which the skill is displayed is also significantly low. This indicates that many respondents either thought that it was inappropriate for a consultant to encourage experimentation, or that experimentation was of relatively little value in many cases.

### **Action strategies**

Four of the most frequently displayed skills shown in **Table 5-4** relate to the action strategies stage. This indicates that consultants are generally good at displaying these skills. It is of interest that despite the obvious focus of consultants on these skills, none of the action strategies had a high average indication of importance. Indeed skills such as addressing the appropriate staff level and stimulating necessary commitment had relatively low indications of importance. It is suspected that many clients consider the actions associated with these skills to be their responsibility rather than the clients.

### **Termination**

It is not surprising, in a survey of successful assignments, that a relatively high proportion of consultants (70%) were reported to have achieved the clients goals (Table 5-4). Both the indicated importance (51%) and frequency with which the skill was applied (54%) were low for evaluating achievements. This skill is understandably, neglected by those consultants engaged in one-off assignments. However, evaluating achievements is crucial to a consultant's attempts to develop further business through the relationship with a client and for consultants with an interest in research or improving their skills.

### **Discussion of skills questionnaire findings**

The distribution of the frequency with which consultancy skills had been experienced is of likely interest to the ISO 9000 industry, it being untypical of ISO 9000 research to focus in detail on the consultancy process, rather than the topic. The least frequently displayed skills shown in Table 5-4 are likely to be of particular concern to bodies involved in the accreditation or funding of consultants. The frequency with which skills are displayed in 'failed' projects is likely to be lower than those indicated above. Having said this, experience, confirmed by the research of North *et al* (1998), indicates that wider commercial factors, than satisfaction in the relationship with a consultant, can influence a client in pursuing registration after completion of an assignment (North *et al*, 1998).

No simple patterns were observed, during analysis, between the responses to the skills questionnaire (**Appendix 1**) with identifiable factors such as industry type, the number of consulting days, project length, sex, age or qualifications of respondents. To some extent this may reflect the fact that the sample frame was skewed, being made up of companies which had obtained ISO 9000, thus excluding assignments that were a total failure. The inference made from the lack of simple patterns is that perceived consultancy value needs to be viewed within a complex process of relationship development. The key incident satisfaction survey responses are used to develop this idea.

## **Significance of consultancy style**

The following analysis explores the association between different consultancy styles and the overall frequency of skills displayed by consultants. Respondents were asked which of the following best described the way their consultants worked:

- A) as an expert telling them what to do;
- B) as a facilitator, helping them to make decisions;
- C) as a specialist employee, working to their instructions.

It was most common for consultants to have a facilitative approach (48%) and least common for them to act as specialist employees (9%), as shown in **Table 5-5**. 29% of consultants had acted as experts and 4% had displayed combinations of styles other than the ones shown in the table. One observation, based on a small number of relevant responses (15/151 = 10% of respondents or 322 out of 2132 = 15% of responses in the frequency columns in **Table 5-3**, was that where both a facilitative and an expert style were indicated a high incidence of displayed skills was also indicated. This amounted to an average of 84% (270/322) of responses at most or all times compared to the survey average of 62% shown in **Table 5-2**. Taking  $n = 322$  from **Table 5-3**,  $x/n = 84\%$ ,  $p = 62\%$  from **Table 5-2** then  $\text{Calc } z = (x/n - p) / \sqrt{(p(1-p)/n)} = 8.1$  compared to Tab  $z$  of 1.645, clearly indicating 5% significance (Rees 1989, pp106-107). The same calculation based on a comparison of the proportions of respondents with proportions with skills regularly perceived, where  $n = 151$  gives  $\text{Calc } z = 1.72$  which is also significant as shown in **Table 5-5**. These observations suggest that consultancy style may need to be altered in response to events or project

stages in order for a consultant to provide perceived value to a client. In the questionnaire the term expert was qualified through the phrase ‘an expert, telling you what to do’, so it could have been viewed unfavourably by clients.

INDICATED CONSULTANCY STYLE	PROPORTION OF RESPONSES x/n% (x) ( $\chi^2$ , Observed O)	PROPORTION WITH SKILLS DISPLAYED AT MOST OR ALL SESSIONS (from Table 5-3) p (pn) ( $\chi^2$ , Expected E)	Calc z (compared with Tab z = 1.645 for 5% significance)
A facilitator, helping them to make decisions	48% (72)	51% (76)	0.73 (not significant)
Expert, telling the client what to do	29% (44)	23% (35)	1.75 (significant)
Specialist employee working to clients instructions	9% (14)	7% (11)	0.96 (not significant)
A facilitator and expert	10% (15)	15% (23)	1.72 (significant)
Other combinations	4% (6)	4% (6)	0 (not significant)

**Table 5-5**

**Comparison of the frequency of styles employed and the frequency of skills displayed**

**Table 5-5** shows no significant association between the frequency of displayed skills and a facilitative consultancy style. **However, the analysis does indicate that consultants who acted as experts displayed skills less frequently, on average. In contrast consultants who displayed both an expert and facilitative style displayed skills more frequently, on average.** In the above analysis n =151 instead of the total of 159 respondents that indicated skill frequencies. This is because eight respondents did not link a style to displayed skills. The use of the ‘z’ test assumes that each consultancy style can be viewed independently compared with the other

styles combined as a single alternative. An analysis of the overall association between consultancy style and skills can be carried out by applying a  $\chi^2$  test to the results in

**Table 5-5.** Calc  $\chi^2 = \Sigma((O-E)^2/E)$ , Tab  $\chi^2 = 9.49$ , where degrees of freedom  $v = (5-1)(2-1) = 4$ , (Rees, 1989, p131-136).

Calc  $\chi^2 = (72-76)^2/76 + (44-35)^2/35 + (14-11)^2/11 + (15-23)^2/23 = 0.32 + 2.31 + 0.82 + 2.78 = 6.12$ .

Tab  $\chi^2 >$  Calc  $\chi^2$ , **confirming no overall association between consultancy style and the frequency of displayed skills.**

## **Analysis of skills as indicators of consultancy style**

**Table 5-3** identifies some areas of potential significance between indicators of consultancy style and the frequencies with which skills were displayed. The analysis is summarised in **Table 5-6**. Skills grouped under combined styles and assignment stages are also shown.

Areas with potential for significant association		Test for significance			
Consultancy style from Table 5-3	Frequencies of displayed skills from Table 5-3	Calc z compared with Tab z = 1.645 for 5% significance	p	x/n	n
Facilitative style	Encouraging experimentation	1.66 (significant)	0.51	0.67	27
Facilitative style	Being open to client's needs	0.7 (not significant)	0.51	0.55	76
Facilitative style	Listening to the client	1.0 (not significant)	0.51	0.46	99
Facilitative style	Developing client's understanding	0.7 (not significant)	0.51	0.47	74
Facilitative style	Average for skills grouped under gaining new insights	0 (not significant)	0.51	282/553 = 0.51	553/9 = 61
Facilitative & Facilitative combined with specialist	Average for skills grouped under gaining new insights	0 (not significant)	0.66	367/533 = 0.66	533/9 = 61
Expert	Average for skills grouped under initial contact	1.0 (not significant)	0.23	53/193 = 0.28	193/3 = 64
Expert	Discussing terms	1.56 (not significant)	0.23	0.32	53
Specialist	Addressing appropriate staff level	1.53 (not significant)	0.07	0.12	61

**Table 5-6**

**An analysis of the association between indicated consultancy style and the frequencies of displayed skills**

The encouragement of experimentation was investigated to see if there is an association between a facilitative consultancy approach and the frequency with which a consultant encourages experimentation. The encouragement of experimentation was the skill that, in addition to the lowest indication of importance (46 responses), had the lowest response to the frequency part of the questionnaire (27 responses). This suggests that the question may have been answered with particular care. The encouragement of experimentation might be expected to be associated with a facilitative approach to consultancy. Out of 27 respondents who indicated that their consultant had encouraged experimentation at most or all times, the breakdown of indicated consultancy style was as follows:

Facilitator	18
Expert	5
Specialist employee	2
Expert and Facilitator	2

From the above it can be seen that 18/27 (67%) indicated a facilitative style (**Table 5-3**), compared with 72/151 (48%) for the whole population of responses (**Table 5-5**) and 1078/2132 (51%) for responses for all skills indicated with a facilitative style (**Table 5-3**). Applying a 95% confidence level for a normal approximation to a binomial distribution, the probable range for encouraging experimentation is 67% +/-  $1.96\sqrt{(0.67 \times 0.33 / 27)} = 67\% \pm 18\%$  or 49% to 85%. FORMULA:  $x/n \pm 1.96\sqrt{x/n(1-x/n)/n}$ , where  $x > 5$  and  $n-x > 5$  (Rees 1989, p91). Similarly the overall average of 51% can be shown to be between 48% and 54% to a 95% confidence. Assuming that it is valid to compare sample averages to formalise the possible significance of the

relationship between a facilitative style and the frequency with which experimentation is encouraged, the following statistic  $Calc\ z = (x/n - p) / \sqrt{(p(1-p)/n)}$  must be compared with the appropriate tabulated value  $Tab\ z = 1.645$  (Rees 1989, p91).  $Calc\ z = (0.67-0.51) / \sqrt{(0.51 \times 0.49 / 27)} = 1.66$ . **Since  $Calc\ z > Tab\ z$  the null hypothesis  $x/n = p$  can be rejected indicating that the frequency with which consultants encourage experimentation is greater for consultants indicated as having a facilitative approach (5% significance level).** The next most likely significant relationship appears to be being open to clients needs. This is based on a 5% variation from the average 51% and a higher sample size than the alternative skill, evaluating achievements. So,  $x/n = 55\%$  and  $n = 76$ , in which case  $Calc\ z = (0.55-0.51) / \sqrt{(0.51 \times 0.49 / 76)} = 0.7$  which is less than  $Tab\ z$  indicating that any relationship is not significant. Similar tests for listening to the client and developing the client's understanding also indicated insignificant variations from the mean  $Calc\ z = (0.46-0.51) / \sqrt{(0.51 \times 0.49 / 99)} = -1.0$  and  $Calc\ z = (0.47-0.51) / \sqrt{(0.51 \times 0.49 / 74)} = -0.7$ . These result leads to a conclusion that **none of the skills other than encouraging experimentation have a significant association with a facilitative style** (Rees 1989, pp106-107).

There is potentially a significant association between a facilitative approach and the skills grouped under gaining new insights (**Table 5-3**). By adding the relevant grouped results in **Table 5-3** this was tested through the same process as that described above ( $p = 51\%$ ,  $x/n = 282/553 = 0.51$ ,  $n =$  average respondents in the group  $= 553/9 = 61$ ). Similarly, with reference to the third and sixth columns of

**Table 5-3**, a test was carried out adding responses for both a facilitative approach to that of a combined facilitative and specialist approach ( $p = 51\% + 15\% = 66\%$ ,  $x/n = 367/553 = 0.66$ ,  $n = \text{average respondents in the group} = 553/9 = 61$ ). Again any variation from the mean was obviously insignificant, with Calc z values of zero in both cases. Repeating the test for initial contact skills added together for consultants identified as having an expert style ( $p = 23\%$ ,  $x/n = 53/193 = 0.275$ ,  $n = \text{average respondents in the group} = 193/3 = 64$ ),  $x/n = 27.5\%$  which appears to be potentially significantly higher than the mean of 23% for skills applied by consultants identified as having an expert style. However, it can be confirmed that this is not a significant difference (Calc  $z = 1.0$ ). Investigating consultants with an expert style only, in relation to discussing the terms of a project or meeting, there is still not a significant relationship ( $p = 23\%$ ,  $x/n = 32\%$ ,  $n = 53$ ). Calc  $z = 1.56$ , being too low to reject the null hypothesis that  $x/n = p$  (Tab  $z = 1.645$ ). Another individual skill of potential significance is addressing appropriate staff level in relation to a specialist style ( $p = 7\%$ ,  $x/n = 12\%$ ,  $n = 61$ ). Calc  $z$  is 1.53, that is lower than Tab  $z$  again giving no indication of significance.

## **Findings of the key incident survey**

150 responses were received from clients, outlining incidents where they had been particularly satisfied or dissatisfied with quality consultants. Responses ranged from a phrase to attached letters. All types of incident mentioned by clients have been summarised in **Table 5-7**, regardless of whether they were repeated or a single response. It is suggested that within a sample of 150, all incidents are relevant and all key categories of satisfaction are likely to have been identified. Some respondents provided details of more than one incident. The responses were categorised into process stage groups developed from the literature analysis in **Chapter Four** and shown in column one of **Table 5-7**.

The key incident satisfaction survey produced data that is useful for the inductive development of client perceived value elements at assignment stages. Many of the responses were conceptual in nature, whereas others related to the specifics of ISO 9000 assignments. Satisfaction data is grouped conceptually into elements of client perceived value as discussed in **Chapter Six** and shown in the second column of **Table 5-7**.

CONSULTANCY PROCESS STAGE	KEY INCIDENT GROUPINGS (Model of client perceived value, Chapter 6)	DISSATISFACTION - Inadequate value - Failure to meet expectations	SATISFACTION - Added value - Exceeded expectations
CRITERIA FOR SELECTION	ASSIGNMENT CONTRACTING	Negative comparison with competition Lack of general knowledge  Lacking in skills or experience required	Positive comparison with competition  Displaying general knowledge
INITIAL CONTACT	EPISODE CONTRACTING	Too theoretical in approach Using complex confusing jargon	Good at explaining approach
PROBLEM CLARIFICATION	TECHNICAL EXPERIENCE	Judged assessor requirements incorrectly Interpreted standard incorrectly Failed to focus on actual practice Off the shelf approach ISO 9000 dictating practice Confused between WI & procedures Procedures too general	Judged assessor requirements correctly Interpreted standard well Focused on what is done in practice
PROBLEM CLARIFICATION	PERSONAL EXPERIENCE	Unable to develop beyond initial explanation Didn't stimulate learning	Stimulated personal learning Became a caring friend Demonstrated personal commitment
GAINING NEW INSIGHTS	PROCESS EXPERIENCE	Insensitive to clients role & commitments Lack of empathy & people skills Not hands on Not keeping client informed Defensive & closed minded Gave standard treatment Bad time keeping Lack of commercial awareness Lack of tangible output Blinkered & dictatorial	Sensitive to client's role & commitments  On same wavelength Hands on approach Keeping client informed Open to questioning  Encouraging & motivating
GAINING NEW INSIGHTS (OUTPUT)	ACTION OUTCOMES - AESTHETIC	Inappropriate forms and procedures Too much paperwork Bad quality manual Errors & duplication	Helpful forms and procedures Efficient, concise use of paperwork Good quality manual  Well written documents
ACTION STRATEGIES	ACTION OUTCOMES - ORGANISATIONAL	Lack of morale Failure revealed in trial assessments Gaps found at auditing Couldn't get management buy in didn't encourage ownership	Stimulated morale Benefits of trial assessments Effective self checking auditing  Training & bringing in others Seeing implementation Revelation of how it fits together
TERMINATION	ULTIMATE OUTCOME - OBJECTIVE	Didn't achieve registration	Did achieve registration
TERMINATION	ULTIMATE OUTCOME - RELATIVE VALUE	Unfavourable feedback from assessors Produced no real improvements Stretched the time of the project 'Ripped off' client Breached confidentiality Not independent of assessment body	Favourable feedback from assessors Stimulated effective improvements Provided good value within time
TERMINATION	ULTIMATE OUTCOME - VALUE IN CONTEXT	In house approach preferred No commercial benefits of registration	Obtained commercial benefits from registration

**Table 5-7**

**Summary of key incident responses**

The key incident responses are discussed below in relation to the relevant elements of client perceived value with examples:

### ASSIGNMENT CONTRACTING

The term assignment contracting is used to group incidents pertaining to the value of consultant selection and the initial assessment of a consultant which influences the overall assignment goals and expectations. Comparison of different consultants by clients prior to an assignment is an obvious factor in determining expectations and satisfaction. Comparison was implied by clients who indicated bad experiences with previous consultants and those who were very positive about consultants. Knowledge, skills and experience in a particular industry or type of business were key factors.

“I was relatively satisfied throughout the pre-registration. I can put this down to the fact that I insisted on a consultant allied to Haulage otherwise I wouldn’t have gone ahead.”

“A clear picture was provided of the target to be achieved. This was a contrast to previous vague attempts to develop a QMS”

“We had a couple of preliminary discussions with other consultants, but only the one we finally used had any concept of how to produce a scheme suitable for our scientific consultancy partnership. The others just had fixed ideas appropriate to companies involved in making things.”

“Throughout the assignment the consultant never seemed to be aware of the problems or the basic needs of the company”

“We realised the consultants weren’t experts in ISO9000 consultancy, also when we found from the Body towards these consultants a level of resentment”.

### EPISODE CONTRACTING

The term episode contracting is used to group incidents that relate to a client's expectations and understanding in relation to assignment episodes or sessions, as opposed to the overall aims and expectations set at the assignment contracting stage. The planning and negotiation of activities at episodes was expressed through clients' comments about the approach of a consultant and the use of jargon. Clients were dissatisfied if they considered a consultant to be 'theoretical' and unable to communicate ideas in practical terms.

“The consultant was on my wavelength – he was meticulous and rarely changed his mind. EXCELLENT”

“The consultant used was well experienced and used examples at all times.”

“Continuous dedication to the project and determination to achieve the objective”

“The ‘jargon’ he had used was really not relevant or appropriate, we have since changed almost everything he did.”

“The consultant was trying to make everything too complicated (to justify his fees?)”

25% through the project – “Unsure at this point how the requirements of the Standard would relate to our business and which benefits might be achieved other than registration”.

### TECHNICAL EXPERIENCE

The term technical experience is used to group incidents that relate to the specialist knowledge and experience the consultant brings to an assignment. The incidents reported by clients in respect to technical experience largely concerned the ability of the consultant to interpret ISO 9000 appropriately to the requirements for successful registration. This was the core activity the consultants were contracted to provide. This included, favourable comments about the consultant focussing on the actual practice of the client rather than some imposed template, created for another organisation. One client was dissatisfied that a consultant was confused between work instructions (WI) and procedures. Work instructions are sub-procedures, usually describing technical routines for a particular piece of equipment, rather than the management of a process which would be detailed in a quality system procedure. Both satisfying and dissatisfying incidents were given in relation to a consultant's ability to judge the requirements of assessors. These perceptions are likely to have arisen after assessment as retrospective perceptions of the experience of working with the client. Such incidents indicate both experience and outcome value. In another example the client was dissatisfied that neither the consultant nor Business Link had any technical understanding of QS 9000, an automotive industry interpretation of ISO 9000 that requires additional statistical techniques and supplier management activities.

“Understanding the standard and how it operated in practice.”

“He was a good practical consultant coupled with a good working knowledge of the engineering manufacturing industry.”

“After the third session it was clear that Business Link and the Consultant did not have a clue what QS 9000 entailed, they were blinkered to ISO 9000.”

“The procedures which were originally brought in were aimed at a large company and not suitable for a small one like this.”

“Lack of imagination in approach grown out of lack of understanding of our procedures.”

### PERSONAL EXPERIENCE

The term personal experience is used to group incidents relating to the value provided through stimulating clients’ personal learning and the social element of a working relationship. Clients identified the importance of commitment and friendliness on the part of a consultant. Both satisfying and dissatisfying incidents were given with regard to a consultant’s ability to affect the personal learning of clients. One client was dissatisfied that a consultant was unable to develop their working relationship beyond an initial explanation of the concepts. This is taken to have some implications with regard to the technical ability of the consultant as well as limited relationship skills. The following examples clearly indicate the potential value of a consultant addressing the personal client experience:

“Our consultant was brilliant at every stage. He acted like a friend, also really cared that we achieved our objectives.”

“My personal satisfaction came from the knowledge I had been given with the help of the consultant and the fact that he had understood my ‘novice’ position within the context of Quality Assurance and had given me confidence.”

“No understanding of operator knowledge/education. Sympathetic & understanding attitude needed when dealing with personnel at all different levels of knowledge.”

“Inability to deal with frustration engendered by the intransigence of the people he was working with.”

### PROCESS EXPERIENCE

The term process experience is used to group together incidents that indicate the value derived from a consultant's routine behaviour in managing the experience of the client consultant relationship. These are independent of technical ability or the more personal aspects of the relationship and relate to the general approach and professionalism of a consultant, for example time keeping. However, ability to empathise with clients, enter into a dialogue and provide motivation were also mentioned as being important. Clients liked consultants to be open to questioning and were dissatisfied with a perceived inflexible, blinkered, or off-the-shelf approach. Good people skills and a hands-on approach were valued by clients. Process experiences are of value in tying together the various aspects of an assignment and pacing activities with regard to the individual needs of an organisation and particular client contacts.

“Continuing support with the auditing of the quality system and assistance with the ‘fine tuning’ to reflect current & existing operating procedures & requirements of the standard.”

“The stage where we attained the confidence to question sections of the standard and disputed the actions of the consultant – this may seem unusual but the consultant had given us this confidence.”

“Early-nothing produced, i.e. no manual only thoughts etc. Towards the end of the project – coming together in form of a manual.”

“The stage which gave me the most satisfaction was the termination stage. Everything came into perspective and full understanding of the whole system.”

“On production of our QA manual and procedures manual - at last there seemed to be a result from all the frantic work.”

“Not really understanding at first what it was all about. Satisfaction - when it all came together.”

“General lack of real added value, you felt you were getting the standard treatment and never really being given solutions tailored to you.”

“Consultant felt progress was too slow. He harassed the quality team to some extent and at times failed to accept the heavy workload borne by the quality team.”

“The consultant was not happy when questioned over procedures produced or parts of their content.”

“The consultant would offer suggestions with no regard for the economy of implementation”

“Not keeping me informed of program. Inability to meet timescales because of unforeseen complexity. I thought I had been fully briefed about the stages of development but then realised this had been sketchy.”

#### ACTION OUTCOMES (AESTHETIC)

The term aesthetic outcome is influenced by Fogel (1993) and used to group incidents that relate to the tangible ‘product’ of assignments, namely the documentation produced. Comments addressed the need for procedures to be well written without errors, as well as being effective for the control of processes. Concise documents were valued by clients, whereas excessive paperwork caused dissatisfaction.

“The procedures produced by the consultant were generally short and concise while containing all of the required information and detail.”

“Structuring documents to satisfy multiple needs and still maintain traceability.”

“The satisfaction came with the knowledge that we had a well documented system which truly reflected our operations.”

“The quality / detail of the early procedure documents was disappointing. This was however quickly rectified.”

“Producing unnecessary layers of documentation/duplication.”

“Consultant provided intricate procedures which the company considered impractical because they were too detailed / complex. – bloody theoretical academic.”

#### ACTION OUTCOMES (ORGANISATIONAL)

The term organisational outcome is used to group incidents that addressed the consultant’s ability to generate value for organisational members other than the primary client contact, namely to implement the system across the organisation. Organisational outcomes largely concerned the auditing and implementation phase of quality system assignments. Clients valued the consultant’s ability to stimulate morale. It is not always clear whether a client’s satisfaction related to the consultant or the assignment with regard to organisational outcomes. For example, one dissatisfying incident related to gaps found at auditing. Clients were dissatisfied with lack of compliance with procedures. However, the consultant may not have directly caused the problem. There is an indication that client perceptions of consultants cannot easily be divorced from the organisational effects of the work associated with the consultant, regardless of direct responsibility. The consultant’s contribution to staff training, particularly in relation to auditing, was a factor as was a client’s realisation of how things fit together, clients often finding the link between procedure writing and implementation difficult to understand before auditing is carried out.

“Our quality consultant made all members of staff very relaxed prior to the formal assessment visit. His approach was very down to earth and he therefore got the best out of people.”

“Staff meeting - video o/head training. Superb explanation of quality concept to staff.”

“Consultant conveyed the ‘whys and wherefores’ in a manner that encouraged understanding of the requirements and therefore increased the likelihood of staff ‘buying into’ and implementing these requirements.”

“Unable to translate requirements of the standard to plain English to Company managers. Made staff anti the standard as they were being pressured into doing things without being given proper insight into a sensible programme.”

“The first ‘pilots’ were undertaken using less than 1% of the overall business. The secrecy surrounding it was such that when the time came to ‘roll-out’ the system, it was feared by most people. We have spent the last 3 years ‘slaying the dragons’ and are just about winning the war.”

#### ULTIMATE OUTCOME (OBJECTIVE)

The term ultimate outcome objective is used to group together key incidents relating the primary goal of an assignment. Other factors besides the consultant are required to realise this value. Clearly the client has a large responsibility for achieving assignment goals. Because this survey only involved clients that had achieved registration, there was limited scope for dissatisfaction with regard to this issue. The exceptions are incidents from clients that had experienced failed consultancy assignments prior to registration.

“When the BSI assessor said all was OK”

“Completed on schedule and with the minimum of charges”

“I felt relieved that we had finally reached accreditation but annoyed we had wasted so much time and money with a poor consultant.”

“We terminated one contract due to dissatisfaction in the level of service - indeed we obtained a non conformance from BSI QA for our audits (lack of documentation).”

ULTIMATE OUTCOME (RELATIVE VALUE)

The term relative value is used to group incidents that relate to an overall judgement of a consultant's performance, made in hindsight by a client after an assignment. It is difficult for clients with limited experience to relate one consultant's performance to another's. However, a consultant needs to compare performance between assignments and with competitors. The comparative aspect is important as it helps to distinguish the performance of a consultant from aspects of client perceived value that a consultant cannot directly influence. The relevant incidents included favourable and unfavourable feedback from assessors and third parties. Favourable feedback involved a general sense of value for money and improved processes resulting from the assignment. One unfavourable incident involved a client reporting that the consultant had breached confidentiality. In another the consultant was perceived as not being independent of the assessment body while in another a consultant was perceived to have stretched the time of an assignment to gain extra work. Clients were dissatisfied if they decided that the consultant's work could have been carried out more effectively in-house.

“We believe that if the resources had been available in-house to do the project, we doubt that it would be as cost effective as employing a professional consultant.”

“Having had one unsatisfactory consultant it was a ‘breath of fresh air’ to have one who swept away a lot of misconceptions of how ISO 9000 worked and to look at it in a different way.”

“Misuse of time – stretching out the project.”

“I felt we could have achieved registration earlier and with less bureaucracy without the consultant.”

“Didn't feel we learned anything relevant to our business.”

“The consultant had made us become too complex in written procedures. Our external auditors commented increasingly on it and we’ve since drastically simplified the system.”

“The main QA manual was an off-the shelf item altered slightly for us, but it is only when you have perhaps a years experience of running a system that you appreciate what it’s all about. That is the time that you realise the consultants’ work was not worth the money and you start again from scratch. The consultant took advantage of our ignorance.”

“I felt like an idiot who had been taken for a ride by a consultant who had basically just changed peoples names and positions in the company and given me an off the shelf manual which was very poor anyway.”

“Consultants are often academics who can talk quality but cannot implement it”.

#### ULTIMATE OUTCOME (VALUE IN CONTEXT)

The term ultimate value in context is used to group incidents relating to the value of the work associated with the consultant’s input in the light of lessons learnt by the client and any changes in the commercial considerations that stimulated the assignment in the first place. The absence or presence of commercial benefits resulting from registration provided examples of dissatisfaction or satisfaction respectively. The value in context is viewed in this thesis as a function of the expectations set at initial contracting, after reviewing the aims of an assignment, in comparison with client perceived achievements. Value in context addresses the element of client perceived assignment value that is independent of the performance of the consultant.

“Being able to meet expectations of important customers.”

“He was a ‘quality consultant’ in every sense of the word. Our disappointment has been, that since ISO 9000 certification this does not appear to have had

any influence on sales against competitors who have not shouldered the overhead cost in time and outlay to achieve certification.”

“More streamlined system that developed the good characteristics of the old system but removed obsolete items i.e. becoming a more effective system.”

“Unable to get senior managers to understand basic concepts such as ‘ownership’ and to see the value of the system as a management tool.”

“We now consider it a complete waste of money and time.”

“Completion of project and successful application of processes. However, I have now closed the quality department and will be made redundant.”

“In summary I think that consultancy for a small firm is almost useless unless there is someone within the organisation who understands how it works and knows the people, and is in a position to implement the changes required.”

## **Discussion of key incident findings**

**Table 5-7** shows that expressions of particular dissatisfaction can be viewed as the consultant’s failure to meet expectations or provide perceived value, whereas expressions of particular satisfaction can generally be seen as perceptions of added value or exceeding expectations. The importance of expectations can be explained by viewing expectations, not as a separate concept, but as a base level of perceived value from which resulting cumulative expectations and perceptions are derived.

Unrealistic expectations are unlikely in relation to ISO 9000, given widespread awareness of its potential drawbacks (Financial Times, 1996; Campbell, 1994; Holmes, 1995; Davis, c1994). If a client has unrealistic expectations, a consultant is faced with having to influence these expectations as part of the process of achieving perceived value.

It is suggested that a base level of client perceived value is primarily set at the pre-contract stage of an assignment. It then can alter in a cumulative or iterative manner as a result of successive relationship episodes. At any assignment stage, a key incident may have a large effect on expectations and perceived value. The retrospective post contract stages are when cumulative influences are aggregated to form a stable client perception. The attainment of objectives, or external feedback from assessors or customers may also bring about another large change in perceived value at the post contract stage.

## **Conclusions**

There was an indication that the response rate was significantly lower for companies with fewer than 10 staff. This is not thought to have a major effect on the findings of the skills questionnaire or key incident survey. There was no overall association between consultancy style and the frequency of displayed skills. However, there was an indication that consultants with an expert style displayed skills less frequently than others. In contrast consultants who combined an expert and facilitative style displayed skills more frequently. It is suggested that the combination of a facilitative and expert consultancy style was of higher client perceived value than a single style and that the balance of styles employed can best be managed through an awareness of the development of a client-consultant relationship. Encouraging clients to experiment was the only skill associated with a facilitative approach. This skill also had a very low number of respondents who considered it to be particularly important.

Clients were found not to value the opportunity to make choices but, rather the outcomes of the experiences and outcomes of the choices made.

Of the skills considered to be particularly important by clients the clarification of jargon was perceived significantly less frequently than other skills. This indicates a need for consultants to improve skills in translating jargon into the language of clients. The results also indicated that when the responses to skills linked to gaining new insights are taken as a group the frequency of skills perceived was relatively low. This suggests that, despite anomalies with skills such as providing necessary information, there could be benefit in viewing gaining new insights as a general behavioural category in need of improvement by consultants.

The responses to the key incident survey of particularly satisfying and dissatisfying incidents were grouped according to related value elements. The value elements that resulted from the analysis of key incidents are used to develop a model of client perceived value in **Chapter Six**.

## **Chapter Six**

# **A MODEL OF CLIENT PERCEIVED VALUE**

### **Objectives**

The objective of this chapter is to develop a model of client perceived value based on an analysis of literatures applied to the findings of the key incident survey given in the previous chapter. The validity of the proposed model is discussed in this chapter pending consideration of case studies (**Chapters Seven and Eight**) and an integration of research findings in **Chapter Nine**.

### **Summary**

Clients were asked to provide details of incidents when they had been particularly satisfied and dissatisfied with quality consultants. This chapter compares and contrasts value elements identified in the literature review with those identified from the key incident survey (**Chapter Five**). The value elements are arranged in accordance with the three nested levels of a consultancy relationship that were proposed in **Chapter Four**, namely the episode level, the assignment level and the account level. The suggested dynamic interaction of value elements and assignment levels is represented in a proposed model of client perceived value (**Figure 6-1**).

## **A discussion of value elements**

**Table 6-1** compares and contrasts value elements from literatures (Fogel, 1993, p181; Juttner *et al*, 1994, p59); Halinen, 1997, p233; Ghobadian *et al*,1994, p43) with those identified as a result of the key incident survey described in **Chapter Five**. These elements, while different in emphases, are complementary and when combined give a comprehensive analysis of relationship value. The responses from the key incident survey, described in **Chapter Five**, were grouped into value elements and these are shown in column one of **Table 6-1**. Each element defined as a result of the survey mirrors an element of the literature analysis. However, distinct sub-groupings emerged from the key incident data. These were considered to be necessary for an analysis of value in ISO 9000 consultancy. It is suggested that the value elements are relevant to other professional services. The literature analysis supports this assertion, given that the writers' interests range from relationship development (Fogel, 1993) to relationship marketing (Halinen, 1997 and Juttner *et al*, 1994) and service quality management (Ghobadian *et al*, 1994).

PROCESS MODEL	RELATIONSHIP DEVELOPMENT INFORMATIONAL VALUE	RELATIONSHIP MARKETING VALUE ELEMENTS		SERVICE QUALITY VALUE ELEMENTS
<b>Groupings from key incident findings</b>	Fogel (1993, p181)	Juttner <i>et al</i> (1994, p59)	Halinen (1997, p233)	Ghobadian <i>et al</i> (1993, p43)
Assignment contracting				expectations
Episode contracting				
Experience – technical		experience related		
Experience – personal	affiliative information			
Experience – process			process performance	process goals
Action outcomes – aesthetic	aesthetic information	outcome related	service outcome	actual outcome
Action outcomes – organisational	moral information	action related		
Ultimate outcome – objective Ultimate outcome – relative Ultimate outcome - in context			ultimate service outcome	

**Table 6-1**

**Literature analysis of process value elements**

Juttner *et al* (1994) identified three dimensions of value which address both exchange and process aspects of a relationship:

*“outcome-related (received products/objects)”*

*“experience related (psychological states associated with the process)”*

*“action related (actions performed by the actors e.g. cooperation)”*

(Juttner *et al*, 1994, p59)

This classification can be compared with Fogel’s (1993, p181) classification of three principal forms of informational value:

*“Aesthetic information. Not only is action perceived as good or bad, better or worse, it is also perceived as well-formed and not so well formed.”*

*“Affiliative information. All relationships have a dimension of liking and loving, attachment and dependency, anxiety, ambivalence or hatred.”*

*“Moral information. Morality is the perception that some actions are better than others; that participation in some frames is more worthy than in others; that there is a choice one can make between good and not so good alternatives.” (Fogel, 1993, p181)*

It is proposed that the reduction of all relationship elements to those most closely related to client perceived value, inherent in this study, is a necessary constraint through which to define and manage a working relationship. Fogel applies this principle to the creation of information that drives a relationship:

*“Information is created when the degrees of freedom are reduced”. Fogel (1993, p103)*

In the context of relationship development, Fogel’s (1993) concept of informational value is complementary to client perceived value. The dynamic nature of client perceived value within the development of a client–consultant relationship is demonstrated in Fogel’s (1993) explanation of the link between information and action.

*“Information is in formation, always being created out of itself and always changing with respect to action.” Fogel (1993, p75)*

Fogel (1993) proposes that meaning and information are synonymous, constructed through action and not objective reality. With regard to a consultancy relationship, this suggests that a consultant should not be seen as simply a provider of information. A client’s perception of value is likely to be influenced by a variety of interactive relationship process elements.

*“Information is created at the interface between perception and action” Fogel (1993, p76)*

*“Information in this system is continuously updated and mutually negotiated.” Fogel (1993, p80)*

Moral value can be described as the perception of alternative actions and their perceived desirability in respect of the value of likely outcomes. Aesthetic value is concerned with how well relationship outputs are formed with respect to consensual norms and frames. Affiliative value relates to social and psychological elements of value such as liking/loving, attachment, dependency, anxiety, ambivalence and hatred. It is suggested that the affiliative element of value provides an insight into the essentially emotional aspect of relationship value. Evidence of the complex manner by which relationship skills generate value is provided, in part, through the lack of simple patterns emerging from the skills questionnaire in **Chapter Five**. Lang *et al*'s (1990, p27-p30) work provides the following classifications which, it is suggested, indicate ways that affiliative value and associated skills can be perceived by clients in the course of consultancy. These are:

- i) Unconditional positive regard - Trust and respect;
- ii) Genuineness - awareness of honesty, feelings, thoughts;
- iii) Empathy - humour, personal self perception.

Lang *et al* (1990) discuss the importance of expectations in achieving a degree of control of learning outcomes within a relationship. It is suggested that this concept can be applied as an indicator of client perceived value in a consultancy context.

Lang *et al* (1990, p48) distinguish between:

- i) outcome expectations, associated with the degree of belief and commitment displayed by a client;
- ii) efficacy expectations, associated with the capability of the client.

Clearly any attempts by a practitioner to generate client perceived value must be viewed in the context of a client's expectations, degree of commitment and capability. Client expectations have an influence on the goals that drive an assignment process. In identifying roles of the 'helper', taken to apply to the consultant in this thesis, Lang *et al* (1990, p54) differentiate between process goals and outcome goals. The roles of the helper are:

- i) The confidant - who takes on the role of a sounding board;
- ii) the communicative detective - who has the role of understanding the client's interpretation.

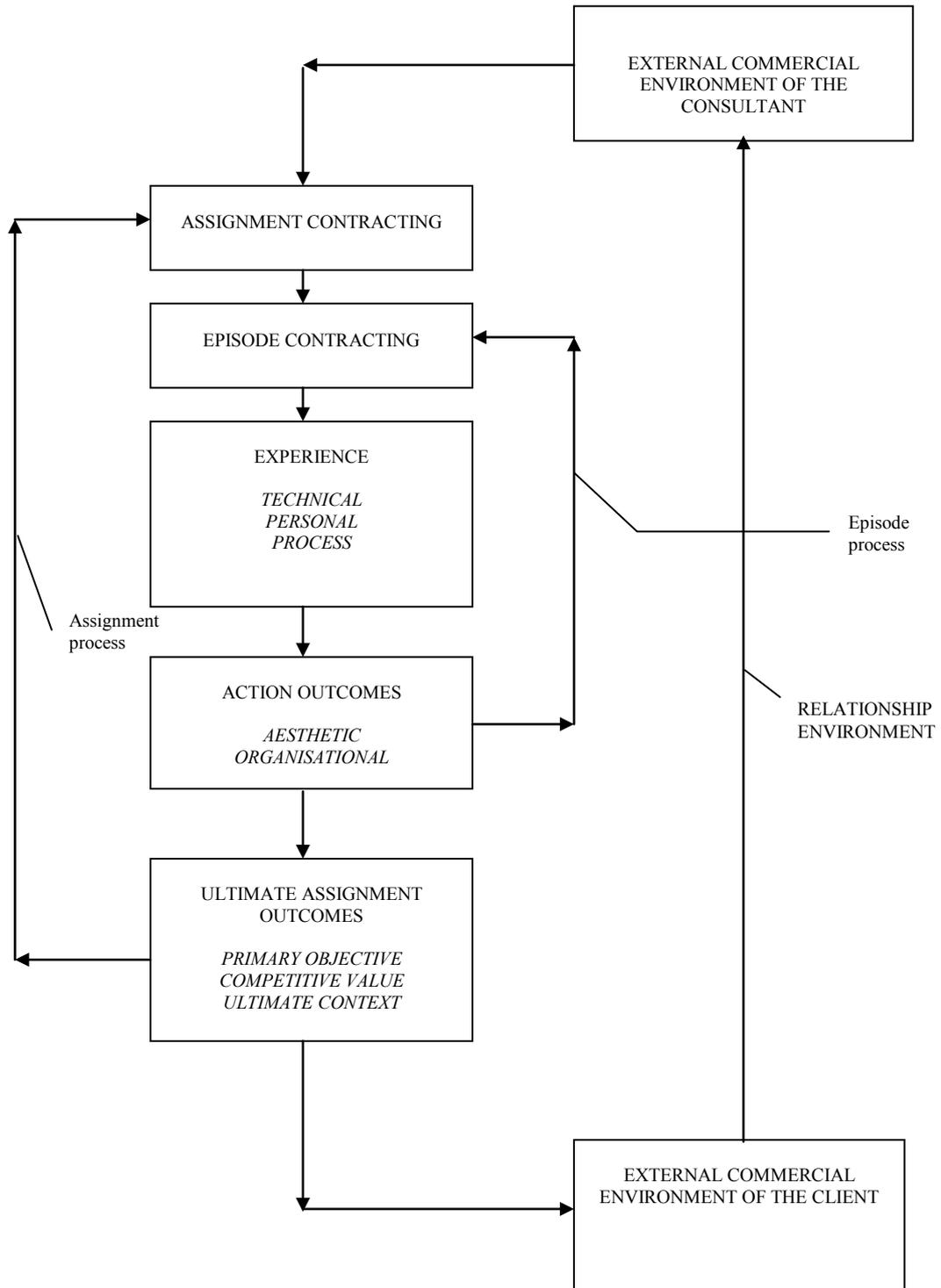
The distinction between a client's perception of process value, outcome value and ultimate value is considered to be fundamental to the analysis of value generation within this thesis. Ghobadian *et al* (1994, p43) identified a link between expectations, process goals and actual service outcomes (**Table 6-1**). It is argued that client perceived value can be achieved through changed or emergent goals, independently of failure to achieve initial goals.

Any specific choices influenced by the consultant appear to be judged through the perceived outcome. The fact that a significant number of respondents to the skills questionnaire considered 'encouraging experimentation' not to be important is further evidence that client perceptions are primarily focused on outcomes and experiences rather than the selection from options associated with moral information (**Chapter Five**). Thus, while the categories of relationship experience or affiliative information

and outcome or aesthetic information were substantiated by the empirical research, the provision of options, or moral information was not. Clients of other types of consultancy, with a human resource focus, could be expected to value training and the development of capabilities in addition to organisational outcomes. In practice, while unacknowledged by respondents, Fogel's (1993) moral information impacts on client perceived value through the organisational action resulting from any choices made (**Table 6-1**). A similar conclusion can be drawn from the case study research of Halinen (1997, p233). She identifies both process performance and service outcome as categories for the concepts of perceived client satisfaction. While the focus of Halinen's study is broader than the personal relationship within an assignment, the concepts are complementary to experience or affiliative information and outcome or aesthetic information, respectively, in the context of personal relationships. Halinen (1997, p233) provides an important third concept, namely ultimate service outcome (**Table 6-1**). This concept is validated by those responses within the key incident data that cannot be associated with outputs from individual assignment episodes, but only a retrospective view of the perceived value of the ultimate outcome of an assignment.

## **The proposed dynamic model**

**Figure 6-1** shows the proposed dynamic interaction of client perceived value elements identified through key incident data. The value elements are arranged in accordance with the three nested relationship levels proposed in **Chapter Four**, namely the episode level, the assignment level and the account level. A balance is required between grounding the model of client perceived value in the actual words of the key incident survey respondents and developing process concepts that can usefully be applied. The value groupings shown in **Figure 6-1** represent process concepts and their proposed relationships to each other and the wider environment of the commercial relationship, beyond the immediate project or assignment. The applicability and limitations of the model are discussed in the following pages.



**Figure 6-1**

**Model of Client Perceived Value in ISO 9000 Consultancy Assignments**

Halinen (1997) has identified the following indicators of the strength of personal relationships between advertising agency members and clients:

*“interpersonal appeal, based on parties’ perception of*  
*- each other’s personality*  
*- professional capabilities and viewpoints*  
*- interaction styles*  
*- demographic factors*

*Interpersonal trust based on parties’*  
*- perceptions of each other’s character as dependable and reliable*  
*- actions such as personal disclosure*

*Knowing the other party based on*  
*- how long the persons had known each other*  
*- how intensive their contact had been*  
*- how personal their relationship was” (Halinen, 1997, p211)*

While all these indicators would be equally applicable to a key client-consultant relationship within an ISO 9000 project, it is difficult to identify the benefit of their incorporation into a model of client perceived value. The aim of the model of client perceived value is to disaggregate elements of the performance of consultants, in order to manage improvement. The indicators can be viewed either as relationship factors, fixed prior to assignment commencement or, general observations which lack the specific detail to support their contribution to client perceived value. Halinen (1997) has not attempted to determine the interrelationships and dynamic process stage influences on these indicators. Her approach is researched based in contrast to the commercial approach of many writers on consultancy. Block’s (1981) *Flawless Consulting* is typical of the latter, being specifically written for the practical guidance of consultants. While Block’s (1981) is a comprehensive guide to desirable consultant behaviour, it is highly personal and has no claims to empirical grounding, save his own experience, nor an academic frame of reference. It neither addresses the specifics

of the ISO 9000 consultancy process, nor identifies a guiding methodology for focusing on those client perceptions of value that can be influenced by a consultant.

It is necessary for consultants to vary styles or approaches to achieve desired outcomes. Patterson *et al* (1997) concluded that outcome factors were the most significant in determining consultancy business to business service value. However, they found that methodology, service, relationships, global information and problem identification were additional relevant factors (Patterson *et al*, 1997, p 430). The global dimension refers to a client's expectation that consultants have access to global information and a network of contacts. This dimension is, however, relatively insignificant to most quality management consultancy client businesses.

The key incident survey responses suggest that minimum performance standards are identified through failure to meet expectations revealed through areas of dissatisfaction. The limitations of a rigid focus on meeting expectations are revealed in areas of particular satisfaction that highlight the value of exceeded expectations (**Chapter 5, Table 5-7**). Many of the areas of satisfaction or dissatisfaction have their natural opposites and can be represented through a position on a scale of perceived value between dissatisfaction and satisfaction. Other areas are expressed only through a polarised dissatisfying or satisfying attribute. Barlow *et al* (2000, p255) question the conventional wisdom of a linear satisfaction scale. They write that dissatisfaction is more important to clients than satisfaction in determining customer loyalty. Indeed they suggest that loyalty is associated with very high indications of satisfaction only.

They suggest that marginally satisfied customers are no more likely to be loyal to a service provider than dissatisfied customers. This supports the assertion in this thesis that satisfaction has to be viewed in the context of the emotional development of a relationship between a client and service provider.

For many clients, their perception of the value of ISO 9000 is linked to their experience of a relationship with a consultant. The commercial pressure to address ISO 9000 can act as an impetus for businesses to review and improve their management processes with the assistance of a consultant. The model of client perceived value (**Figure 6-1**) provides a framework within which consultants can improve the client's perception of the value of their work. This requires both an awareness of key issues and project stages. It is suggested that the value elements, expressed within the model of client perceived value, identify the limitations to a consultant's ability to provide value and can guide them in particular areas that are key to achieving client perceived value. It is a premise of this thesis that a focus on client perceived value allows a consultant to reduce the complexity of a consultant client relationship to manageable priorities, provided that the client is prepared to undertake the necessary tasks. The extent to which added value, or perceived satisfaction, can be achieved by a consultant is, to a large extent, constrained by the individual background and competence of a client.

## **Validity of the process model**

It is necessary to explore the model of client perceived value (**Figure 6-1**) further in order to evaluate its practical and theoretical validity. Cohen and Manion (1989, p278) see research validation in terms of the recognition of authenticity, particularly by subjects. In this thesis subjects are likely to be more interested in the achievement of assignment objectives than related research. However, the grounding of the model of client perceived value in client reports of key incidents gives authenticity to the research. Reed and Hughes (1992) identify the importance of using data in a useful and credible manner which fits the experiences, understanding and terminology of the intended audience. They view this as a postmodernist perspective of theory validation:

*“In the postmodern context, the primary ingredient of theory is not its data but its intelligibility, and the very communication of this intelligibility already establishes grounds for its utility. Theory and practice are indistinguishable.” (Reed and Hughes, 1992, p217).*

The concept of resonance between the experiences and frame of reference of the researcher, subject and reader may be relevant to establishing validity. A more conventional approach to research validity is offered by Robson (1993, p46) who distinguishes between internal and external validity. Establishing internal validity involves showing that factors or variables actually caused the observed effects. External validity involves showing that findings can be generalised in a defined manner. Unreliable research due to error, bias or corruption can lead to research being viewed as untrustworthy or invalid (Robson 1993, p66-67). From the perspective of a consultant researcher the validity of the research involves establishing credibility with both a client and an academic readership. Edwards *et al*

(1994, pp70-71) suggest that, in the context of non-statistical qualitative research, validity is largely concerned with face validity, or whether or not the research makes common sense. They suggest that reliability is limited due to the complexity inherent in constantly changing contexts. They view the concept of reliability as obtaining the best information available to enrich the picture of a complex research subject.

Validity, in grounded theory is concerned with the extent to which the research process is empirically grounded when compared with standard criteria (Strauss and Corbin 1990, p254). The following is an interpretation of these criteria:

- 1) Are concepts generated as opposed to simply describing events?
- 2) Are concepts systematically linked within the research ‘story’?
- 3) Do theories have sufficient detail to explain relationships, processes and actions?
- 4) Does the theory specify a range of variations to which it applies?
- 5) Does the theory consider broader historic and social conditions and implications?
- 6) Has the dynamic change process over time been considered?
- 7) Are findings interesting, significant and useful?

Robson (1993, p448) identifies the need for a practitioner researcher to differentiate the research process from standard professional practice to avoid making findings that offer nothing new in the field of practice. The need to develop effective theory, which is interesting and useful as well as valid, can be seen to complement the pursuit of difference.

As stated earlier the criteria of “fit, understanding, generality and control” can be applied to judge the applicability of a theory (Strauss and Corbin 1990, p23). In the

following pages each concept will be addressed, in turn, in relation to the proposed model of client perceived value shown in **Figure 6-1**:

**Does the model fit the reality of the area being researched?**

Having been developed from a ‘fit’ to an inductively derived model based on real data, the model of client perceived value can be seen to fit ISO 9000 consultancy relationships, from the client’s perspective. Case studies detailed in **Chapters Seven and Eight** explore client perceived value from the consultant’s perspective. The main problem with replicating the fit in other assignment areas may be the difficulty in achieving saturation of data, given that ISO 9000 consultancy is unusual in its frequency and predictability in terms of objective.

**Is it comprehensible?**

The model is comprehensible in terms of the traceability of the concepts to empirical data and literature. There may be a need to tailor the terminology to address specific situations when applying the model to improve client perceived value within other types of professional relationship.

**Is it conceptually applicable to a variety of contexts?**

Both the process stage concepts and perceived value concepts have been derived from a broad analysis of relevant literatures outside the context of ISO 9000, indicating generalisability. The proposed relationships between the hierarchical relationship levels have also been shown to be consistent with literature research. Survey

responses, together with practitioner action research further validate the interrelationships indicated in the model.

**Is it useful in terms of the guidance and control of actions?**

The key incident survey findings summarised in **Chapter Five** correspond with the process value elements identified in the model (**Figure 6-1**). This model can be used to improve the awareness of key perceptions, likely to be critical to the successful development of a working relationship, from the perspective of both a client and consultant. The recognition of the way in which consultancy is valued should enable both clients and consultants to monitor the progress of an assignment and provide a structure within which to discuss the performance of the consultant. This includes changes in a client's goals and expectations and the extent to which they are met. A formalisation of such monitoring techniques is proposed in **Chapter Nine**.

## **Conclusions**

The potential within ISO 9000 consultancy to achieve value for a client, beyond registration, has been identified through empirical research. For example process improvements and the personal development of client contacts. This research indicates that the development of a consultant-client relationship can be an effective way of stimulating genuine improvements, perceived by a client as adding value to a business. In this sense, ISO 9000 can sometimes be viewed as an impetus to such improvements, without being a direct cause. Registration does not appear to be a good differentiator between businesses that have experienced valuable improvements

in addressing ISO 9000 and those which have achieved registration, while being dissatisfied, in other aspects, with the consultancy experience.

The value elements that emerged from an analysis of the key incident survey responses resulted in an original and comprehensive analysis of client perceived value that is not comprehensively addressed in other specific research but, is supported by a comparative analysis of research. It is proposed that the three levels of a consultancy relationship, identified through an analysis of literature in **Chapter Four**, is also an original analysis. Thus, it is suggested that the model of client perceived value, resulting from this combination of empirical research and literature analysis makes a useful contribution to the theory and practice of client perceived value in professional services.

# Chapter Seven

## TESTING THE MODEL THROUGH CASE STUDY RESEARCH

### Objective

The case studies described in this chapter provide a consultant researcher's perspective of client perceived value. The objective of each case is to add depth to the client survey data and identify common themes and cues, which help consultants to achieve client perceived value. The analysis in **Chapter Eight** builds on these concepts. Through the case studies, the client focussed survey findings and resultant model of client perceived value (**Figure 6-1**) are tested against the experience of a consultant researcher.

### Summary

The case study research involved six detailed ISO 9000 consultancy assignments supported by sixteen shorter cases, referred to as mini cases. Common phases were identified within all the cases, these being a documentation phase, an audit and implementation phase and a pre-assessment phase. Not all the assignments reached the pre-assessment phase. Indeed the case study research differs from the questionnaire research presented in **Chapter Five**, in that the cases include some assignments that did

not result in ISO 9000 registration. Some of the mini-cases involved a series of group workshops alternated with monthly consultancy visits. The majority of the assignments were carried out by the consultant on an association basis through other consultants who had established contracts with the client organisations. Other than for the workshop-based assignments, the associations with other consultants were administrative, the consultant researcher being the only consultant involved in the assignment process. Reflections of the consultant researcher are provided to give insight into the consultant's perceptions of the way in which client perceived value is generated during an assignment. Common themes and value drivers are identified which form the basis of the analysis in **Chapter Eight**.

## **Method**

The model of client perceived value developed in **Chapter Six** relates to activities which clients found to be particularly satisfying or dissatisfying. A relationship approach suggests that consideration should also be given to feedback from consultants. A study in which relationship dimensions are surveyed and compared for both consultants and clients could be envisaged. Such comparisons, typical of relationship research (Musgrave *et al*, 1996) do not address the dynamics of relationship development; they tend to represent snapshots of perceptions at a particular relationship stage. Such an approach describes the state of a relationship, in terms of a comparison of both parties' perceptions of general dimensions, without consideration of the relevance of each dimension to the

relationship aims. This thesis is based on a reduction of relationship dimensions to clients' perceptions of value, in particular retrospective perceptions. Consideration of clients' perceptions is confined to those elements of perceived value that can be revealed to a consultant researcher within a working relationship, and can be hypothesised to be different from those that might be revealed to an independent researcher.

The case studies provide consultancy based research evidence complementary to the questionnaire findings given in **Chapter 5**. Evidence is differentiated from data received directly from client surveys. The assignments from which the case studies were made largely conform to the sample frame of the assignment feedback used to develop the satisfaction model. The exception to this is that, unlike the survey, the case studies include assignments which did not lead to registration, for example **Clients E, 2, 4, 5, 6, 7, 8, 12, 13, 14 and 16 in Tables 7-1 and 7-2**.

## **Detailed cases**

The following table (**Table 7-1**) provides an outline of the consultancy assignments addressed in the six detailed case studies. It is not proposed that these factors can be considered as variables associated with different client perceived value events. The relationships involved have too many factors for such an approach to be justified. The table is presented only to support the presentation of the case material. No information has been provided which could jeopardise the confidentiality of the client businesses involved.

<b>Case study Ref.</b>	<b>Type of business</b>	<b>Ownership</b>	<b>No. of staff</b>	<b>Consultancy structure</b>	<b>Project length</b>	<b>Outcome</b>
<i>A</i>	Architects	Partnership	36	Association - part funded by Business Link	15 days on site between Sep 98 and Jun 99	Obtained registration to ISO 9001
<i>B</i>	Architects	Limited company – owner managed	15	Association - part funded by Business Link	15 days on site between Jan 98 and Oct 99 followed by 7 days between Oct 99 and Mar 2000	Obtained registration to ISO 9001
<i>C</i>	Manufacture and installation of construction products	Part of a public group	250	Association	59 days (including 19 off site) between Nov 1996 and Jul 1997	Obtained registration to ISO 9001
<i>D</i>	Plastic mould tool makers	Private company run by the owner manager	50	Association - part funded by Business Link	18 days on site between May 96 and Jan 97 followed by 10 days on site between Sep 98 and Jan 2000	Obtained ISO 9001 registration
<i>E</i>	Franchising and distribution of materials	Private company run by the owner manager	40	Association through part funded workshop scheme	14 days on site between Jul 96 and Jun 97	Did not apply for registration
<i>F</i>	Treatment plant	Part of a public group	25	Association	22 days (including 7 off site) between Aug 97 and May 98	Retained ISO 9002 registration

**Table 7-1**

**Detailed consultancy case study assignments**

The detailed cases described below are structured as follows:

- Introduction – an overview of the client organisation and the background to the establishment of the consultancy assignment.
- Phase 1, documentation – a description of the early assignment episodes, the establishment of client relationships and the documentation of the client's quality system.
- Phase 2, audit and implementation – a description of the episodes of each assignment addressing auditing and implementation of the quality system, and increased involvement of the wider organisation, beyond the key contacts.
- Phase 3, assessment – a description of the final stages of the project, typically after a third party assessment had been booked. This stage includes any post assignment feedback provided by clients.
- Reflections of the consultant researcher – generalisable lessons that can be applied to future assignments.

## CLIENT A

### **Introduction - A**

**Client A** was a firm of architects established in the late 1970s, with 6 partners and 30 full time staff. While the two founding partners were the nominal leaders, there was a collegial approach to running the business. The main impetus towards obtaining ISO 9001 registration was a perceived need to consolidate the ability to carry out local authority work, particularly transport infrastructure. The project was part funded by the local Business Link and was contracted to consist of fifteen consultancy days, starting in September 1998. Other consultants were approached for comparative quotations. Deciding factors leading to the initiation of the assignment were an effective pre-contract meeting and the fact that the consultant had been recommended by other architects.

### **Phase 1, documentation - A**

**Client A** had previous experience of a failed ISO 9000 assignment. The work produced had been highly theoretical and detailed, reproducing Royal Institute of British Architects' guidance documents rather than addressing the management requirements of the partnership. The previous consultant was said to have 'philosophised' instead of helping to implement a system. The client was ambitious to integrate existing policies and office practices into the scope of the quality system. There was a need to establish a shared picture of the potential system, in order to develop the trust and respect, required for the client to recognise value in the project and make a contractual commitment. One

way in which shared ambitions were expressed was through structuring the quality manual to the 2000 draft standard (BS EN ISO/CD1 9001: 2000 “Quality management systems – requirements”, BSI Document No. 98/402587, July 1998), intended to supersede ISO 9001: 1994. Documentation of the system was carried out to plan in ten consultancy days by Christmas 1998, followed by implementation in the early part of 1999. It was unusual among the cases researched for deadlines to be achieved. Clients generally failed to provide the necessary resources to enable a project to proceed at the planned pace.

The relationship with **Client A** enabled explicit client feedback to be obtained as the project developed, as well as evidence from the perspective of the consultant researcher. This consultancy assignment was used to pilot test the questionnaire shown in **Appendix 2**. When obtaining explicit feedback of client satisfaction it was difficult for the consultant researcher to distinguish between the relative effects of unfavorable expectations and positive perceptions. It is for this reason that the feedback questionnaire identifies changes in clients’ perceptions of relationship value at different project stages. Explicit feedback from the client contact on day 10 identified the importance of an initial plan of procedures. He suggested that the plan should have encompassed the quality manual, thus addressing the requirements of ISO 9000 in addition to internal processes. The consultant had attempted to prioritise internal processes in the expectation that ISO 9000 requirements would largely be met as a natural by-product of a sensible system. The

key client contact had found the process of writing the quality manual to be critical to gaining an understanding of the ISO 9000 approach and the relationship between the standard and procedures. In assignments where the ISO 9000 quality manual was addressed prior to procedures, clients often had difficulty relating to the abstract concepts involved until applied through detailed procedures and actions. Each consultancy session was structured through a meeting record form (**Appendix 3**), to record action points. This was found to be good practice for all assignments. The value of the form to **Client A** for episode contracting, and the stimulation of assignment outputs was demonstrated on day 6 when there were no forms available and the client expressed concern. Forms were made available for all subsequent meetings.

A partner was allocated the role of primary contact for the assignment. A key secondary relationship was with one of the founding partners who had policy input into the assignment at various stages. This partner did not get involved in detailed work, but was responsible for integrating the quality system into an office procedures manual, which addressed personnel issues and office practices which were outside the scope of ISO 9000. The system was modularised so that parts relevant to ISO 9000 could be clearly identified. Another key relationship was with the partner allocated responsibility for quality auditing on day 7. This was a significant development as it indicating a commitment to the important task of internal auditing, as well as a secondary involvement to the main assignment contact.

Day 7 provided evidence of a successful attempt to obtain explicit client feedback. The documentation phase was well under way and both the consultant and client contact had successfully completed draft procedures for another process. The consultant would have left without perceiving any dissatisfaction by the client if the feedback questionnaire had not been employed. Use of the questionnaire was seen as slightly forced, and embarrassing by both parties to the relationship. However, on this occasion, feedback discussions highlighted a key client concern with regard to general staff awareness and the pace of implementation of procedures. This led to a series of structured implementation meetings and targets, which helped to address these issues. The mood of the client contacts and the assignment stage had to be right to make meaningful use of the client feedback questionnaire. The process of asking a client for feedback can clearly be counter-productive if it is perceived to waste time and add no value at a particular assignment stage. Implicit methods of obtaining feedback were more appropriate at such sessions.

Formal briefing meetings for all staff were carried out on day 2. Feedback mainly focussed on a concern regarding the likelihood of excessive paperwork or unnecessary independent inspection. Explicit feedback on day 2 showed that the client was keen to be in control of assignment outputs, for example a multi purpose memorandum and complaint form. The value of outputs was, therefore, considered to be separate from any direct value provided by the consultant. The client contacts wanted to use individual's

names in procedures instead of job titles. Despite being aware of the difficulty this created for updating procedures, the consultant allowed them to make the choice after advising of the pros and cons.

Feedback on day 10 indicated that the client expected more help with regard to implementation. In hindsight, this could be viewed as a challenge to the consultant's preferred methodology of addressing implementation through internal auditing. The internal auditors were excessively focused on the detail of audit evidence and had not developed an overview of the system, which would enable a small amount of evidence to stimulate action across the whole system. For example, if an individual had not complied with the relevant procedure, then the response was limited to that individual and project. Awareness improved over subsequent sessions.

Day 9 involved an intense session to create a draft quality manual structured to address the draft year 2000 replacement to ISO 9000. The founding partner did not want to apply the numbering of the 2000 standard to the quality manual. The consultant insisted that this would make auditing unnecessarily complex and that in addition a matrix would be required to cross-reference the current ISO 9000 standard. This incident represents a boundary to the consultant's sense of responsibility for achieving the primary objective of the assignment, that is ISO 9000 registration. The relatively directional style displayed by the consultant on this occasion was justified from a technical point of view. However, the

consultant had some negative feelings on that day which may have detracted from the ‘dexterity’ (Musgrave *et al* 1996) with which the episode was handled.

### **Phase 2, audit and implementation - A**

The assignment was structured so that the last five days could be devoted to support for implementation and auditing. The client was encouraged to use auditing to stimulate actions required to implement the system and thus progress the assignment, rather than create separate assignment records. There was a tendency to make the audit process excessively detailed and laborious. The consultant emphasised the need for brief, focused audits to stimulate improvement actions. Client feedback after day 7 revealed that the initial experience of auditing made a significant contribution to the client contacts’ personal experiences of the assignment value. It was common within all the assignments for clients’ understanding of the ISO 9000 approach to improve significantly after carrying out audits.

A review of the role of customer surveys at day 15 had a positive outcome, whereby the client realised that the surveys could be carried out flexibly with sensitivity to customers. This involved completion of feedback by the architect where it was inappropriate to involve the customer directly due to legal or contractual concerns. After day 15, the client also perceived that the negative impact of architectural client satisfaction surveys on processes was less than originally feared in terms of increased bureaucracy. It is

interesting that the effect of the system on processes was expressed in terms of negative expectation rather than a positive perception of process improvement.

The consultant felt that the client was dependent on his personal influence to facilitate implementation of the assignment from day 11. This involved reducing the procedures to prioritised lists of things to do. ‘Just do it’ instead of ‘navel gazing’ became the mutually agreed catch phrase adopted by the client contact and audit partner at day 14. The build up of tension and sense of urgency was common in all the cases at later stages of implementation, when clients were preparing for assessment. Fear of failure was a motivating factor once an assessment had been booked. The consultant tried to reduce tension by praising the client for what had been achieved in an attempt to prevent a loss of confidence or breakdown of the project. Favourable comparisons were provided with other clients who had been successfully assessed.

### **Phase 3, assessment - A**

Completion of the documentation phase by day 10 and the third party desk audit prior to booking an assessment for June were important milestones. Desk audits focus on the compliance of the system documentation to the ISO 9000 standard. Whereas the actual assessment checks the organisational implementation of system documentation.

Between days 10 and 11, **Client A** obtained feedback from associates who considered **Client A's** quality system to be complex. To some extent this reflects the nature of architecture, but more significantly it resulted from the client's desire to integrate the quality system into a comprehensive office manual. The client's tendency to produce a relatively large number of short procedures was also be seen as a complicating factor. The consultant was in the position of having to defend the system, despite having adopted a hands-off approach to its creation. This episode illustrates a tension between the relative extent to which both the consultant and client are accountable for the outputs of an assignment. The downside of consultants facilitating client ownership is that they may be made accountable for actions that are not their responsibility. In this episode, the consultant challenged and alleviated the client's concerns by creating a clear distinction between auditable documentation within the scope of the quality system addressing ISO 9000, and peripheral office documentation for internal guidance only.

After completion of the final day both the primary and secondary contacts were interviewed in an explicit, but informal, manner about the way the project had gone, with particular focus on the relationship with the consultant. They were reluctant to personalise the feedback, yet provided some useful comments. The client contacts stressed that they had gone through a process of learning from their mistakes. They said that they might have done things differently if starting again. However, they did not blame the consultant. They liked the hands off, facilitative approach and felt that the

freedom to make mistakes and learn lessons was of value in the long term. It was an important part of the feedback exercise for the consultant to share thoughts on the approach from his point of view. Rather than dictate a basic approach, he had encouraged the client to be ambitious. The biggest issue was the client's perception of the learning curve involved in making procedures actually reflect what happens in precise auditable language. The client contacts were attracted to the idea of a procedure as a record of best practice to motivate staff. However, when challenged, they did have evidence of staff improving practice through working to minimum auditable standards but no evidence of staff improving practice by working to guidance documents which set out good practice beyond the minimum required. Other clients mirrored **Client A's** perception that procedures should set targets beyond minimum requirements. The fact that this perception was invariably accompanied by a struggle to meet even the minimum audited standards suggests that the best practice model approach may have a symbolic value. Ambitious procedures could, potentially, impress customers and make managers feel better about the company or the way they believed the company could look in the future. These were associated with a recurring tension in clients' perceptions of the way processes should be and the way they could be. Failed consultancy projects could often be viewed as a failure of the consultant-client relationship to allow this tension to become explicit so that workable and auditable procedures could be agreed. Such failure could occur if either the consultant or the client failed to recognise the tension needed to close the gap between theory and practice.

The client perceived a lack of value from the managing associate consultant, who was not involved after the initial contracting meeting. When the managing associate was asked to fax through a list of potential assessors, the client commented that ‘it is about time he did something’. This awareness was common for projects carried out on an associate basis.

While in the early stages a second point of referral could provide a degree of assurance to a client, once a relationship had been built up with the consultant the managing associate was seen as an unnecessary middle-man.

### **Reflections by the consultant researcher - A**

Of the six detailed case studies, this was the only one that was completed on schedule in the contracted number of days. A factor in the relative success of this assignment may have been lessons learned by the consultant from previous assignments, particularly that for **Client B**. The main lesson was to delegate more of the documentation activity to the client, so that the consultant’s time could be devoted to implementation and audit activities in preparation for assessment. The extent to which this can be applied is dependent upon client circumstances. The structured client feedback questionnaire, uniquely applied to **Client A’s** assignment, may also have assisted the consultant in monitoring the perceptions of the client in order to facilitate the achievement of assignment objectives on time.

It is tempting to relate the success of this case to the continued involvement of senior partners in the assignment. However, the managing director was the primary contact for **Client E**, the assignment that was the least successful of the six in terms of achieving registration. A more persuasive explanation for the success of **Client A's** assignment is the clear commitment the partners had to achieving registration within the contracted number of days. Previous experience of consultants may have also played a part.

Feedback from the client contacts indicated that they had experienced some degree of personal transformation in their knowledge with regard to quality systems. The value of personal development to a client organisation is particularly significant when the individuals involved are in a position of influence and authority, as is the case for the partners involved. The mental image of a quality system developed through the assignment has a far greater chance of being projected throughout the organisation from a position of authority. The personal understanding developed was instrumental in the client gaining ownership of the system.

## **CLIENT B**

### **Introduction – B**

**Client B** was a UK-based firm of Architects with fifteen full time employees and a similar number of contract staff, led by a strong managing director who had founded the company. Two additional directors ran teams of architects concentrating on local government work and commercial work respectively. The reliance on contract staff was a legacy of the recession of the early 1990s when **Client B** had to make staff redundant.

**Client B** was motivated towards obtaining ISO 9001 registration primarily to secure future contracts with local government, which was increasingly making registration a selection criterion. The consultancy assignment was awarded, based on the recommendation of another firm of architects who had obtained registration after using the consultant researcher. An associate consultant obtained the contract working through the local Business Link.

The project was initially contracted for fifteen days starting in early 1998. The quality system documentation was largely completed within the first nine months during which time internal auditing of the system had been instigated. Implementation was slow, leading to a suspension of the project until the summer of 1999, after which the last two days of the initial fifteen and an additional seven days were used for pre-assessment reviews leading to registration in March 2000.

### **Phase 1, documentation - B**

**Client B** had embarked on the consultancy route to ISO 9001 (BS 5750) previously. The output was said to involve an excessive amount of paperwork and unworkable detail. They were, therefore, keen for an assurance that this assignment would enable them to ‘keep it simple’ and limit the amount of documentation generated. Other consultants were also invited to make proposals and presentations prior to initiation of the assignment.

Responsibility for liaison with the consultant and for coordinating the development and implementation of the quality system was given to a contract architect. While the directors and other members of staff were involved in some initial policy and awareness meetings, the vast majority of the consultant’s time was spent with the key contact. The consultant advised on the detailed wording of procedures, the notes for which were made by the client contact after discussion. A typical process involved discussions with other members of staff who had a particular interest in the process concerned, followed by the creation of a draft procedure, written by the key contact. On the occasions when a comprehensive draft was not produced immediately, both parties experienced some difficulty in recalling all the relevant details at the next session. A contact from the local Business Link, which was part-funding the project, met the consultant and key contact on the fourth and tenth days. There was little output to review on the fourth day. This was because the client had not produced draft documents as planned, despite the preparatory work having been completed. By the tenth day, the majority of procedures had been

completed and the client was ready to move into the auditing and implementation phase of the project. The reviewer from the Business Link was then pleased with the assignment's progress and the degree of input that the client had to the procedures.

The relationship between the key contact and consultant was friendly and informal. There were no obvious limits to the scope of conversation, supporting an atmosphere of trust and mutual understanding. There was a danger that the relationship between the consultant and the key contact, being a contract worker, was peripheral to the main organisation. The need for continued support from the managing director was therefore recognised by both the client contact and consultant prior to the subsequent suspension of implementation activities. Feedback from the managing director was confined to the project time scale and the importance of the implementation phase.

A technical decision had to be made in relation to the role of out-workers in the quality system. Such workers can technically be seen as sub-contractors or suppliers. However, a more pragmatic approach was to consider out-workers and contract architects to be employees of the organisation, their employment status being of little relevance to the processes addressed within the quality system. The consultant noted that, in hindsight, it was unnecessary to have presented both options to the client. In this instance the client should have been strongly advised to embrace the second option, thereby avoiding unnecessary confusion. The most significant outputs were a contact report form and an

architectural project planning form. Both forms were adaptations of existing documents in order to focus on controls required by the ISO 9001 standard. Some structure was added to one form to stimulate the capture and logging of client complaints together with follow-up actions. Between days 13 and 14 this form was improved further by the client without consultancy input, demonstrating the necessary commitment and ownership required to proceed to registration.

### **Phase 2, audit and implementation – B**

Staff were introduced to ISO 9001 and the assignment aims via two awareness sessions, led by the consultant, on day 2 and followed up on day 8 by more detailed workshops held by the client contact. The consultant kept a low profile at the day 8 workshops as it was generally considered preferable for the client to be seen by all staff members to be controlling the assignment. Days 12 and 13 were used to instigate internal auditing activities, crucial to the control of an ISO 9000 quality system. Auditor training involved a minimal amount of theorising and primarily involved supervising the trainees in carrying out initial audits. An underlying problem was the client's perception that the auditors did not have enough time to carry out the audits. The consultant perceived this to reflect a general lack of confidence and uncertainty about the aims and methodologies of auditing. In hindsight, a compression of the documentation phase of the project would have been of value so that more consultancy time could have been devoted to auditing and associated implementation actions.

The slow pace of implementation came to a head in September 1998 after the thirteenth day of the assignment. After assisting in fully documenting the system and internal auditor training, the consultant made it clear that the last two days of the project would only have value after extensive implementation and auditing had taken place. One constraint on implementation had been a requirement that the board of directors approve details of the quality system prior to the issue of each procedure. When the inefficiency of this was recognised an implementation task force was set up and allocated the authority to make all the necessary decisions. The work of the task force re-started the project and led to the consultant being brought in for day 14 in May 1999. As a result of day 14 the target for assessment was brought forward from 2000 to October 1999. This target was subsequently revised due to further implementation delays.

The managing director appointed a director who had been resistant to the ISO 9001 assignment to head the task force thus providing a healthy amount of scepticism. It is important that the client can challenge the consultant's advice. This not only results in better decisions, but leads to improved client understanding and increased ownership. The resistance of the task force director was interpreted as resulting from a tension between cynicism and unfulfilled idealism with regard to expectations of a quality system. It is a common experience that the consultant has to attempt to balance this tension in client perception in order to focus expectations on measurable outputs required to satisfy an external assessor. The growth of an assignment relationship could be viewed

in terms of the ebb and flow between idealistic client expectations and the pragmatism of a process common denominator approach to providing evidence of consistent standard practice.

### **Phase 3, assessment – B**

The consultant recognised that the firm could not manage internal auditing and was contracted to carry out seven additional days work focussed on pre-assessment auditing in Autumn 1999. This enabled the client to pass the assessment in early 2000. The consultant was further contracted to carry out routine internal audits on a quarterly basis. The consultant had not manipulated this situation for commercial purposes, and had not approached the assignment with the aim of providing continued support. However, the sub-contracting of internal auditing was a practical solution and provided the consultant with an opportunity to provide added value as the relationship developed further. Despite having accepted an on-going role in the client organisation, the consultant did not attend the third party assessment but played an active role in agreeing minor corrective actions afterwards.

### **Reflections by the consultant researcher – B**

A recurring theme was that the client contact did not have authority to match his responsibility. This led, initially, to the contact and consultant being isolated during the documentation phase and subsequently to implementation difficulties, leading to a long delay in the middle of the assignment. The differing number of consultancy days required to achieve registration by **Clients B and A**, despite being similar businesses, demonstrates the importance of the client's role. This supports the practice of charging clients a daily rate otherwise an outcome related fee would clearly have to involve a high degree of risk for the consultant.

The consistent focus on system facilitation through one client contact resulted in the system image or overview becoming that of the contact more than the consultant. This did not work out as hoped by the consultant with regard to auditing. Attempts to involve secondary contacts as internal auditors failed and the auditing ended up being sub-contracted to the consultant in order to make the system work. The auditing role made sense, because the consultant had retained a degree of detachment and was not therefore auditing his own system. The initial assignment objective of the consultant involved termination, leaving the client in control. However, it could be argued that the continued contract for internal audits provided the best opportunity to provide transformational value to the client in the long-term.

## CLIENT C

### Introduction – C

This assignment differs from the other cases studied in that the organisation was significantly larger, employing two hundred and fifty staff in a manufacturing site and two small regional offices maintained to address sales and installation activities. **Client C** designed, manufactured and installed products for the construction industry. The client had gone through a merger, the resulting organisational change being a theme of this case. Both of the previous companies had been registered to ISO 9000 (BS 5750). Neither of the existing quality systems were regarded, by either the client or the third party assessors as appropriate to the needs of the new organisation. The size of the organisation and length of the assignment led to multiple key contacts being identified. There was a different primary client contact for each of the three phases of the assignment. The role of the consultant was unusually proactive in that various secondary relationships had to be initiated in order to address the necessary processes.

The assignment was given to the consultant researcher in November 1996 after a preliminary report by an associate consultant. The planned time scale was for registration to be achieved as soon as possible in the New Year. The number of consultancy days required was negotiated on a day to day basis. Fifty nine consultancy days were eventually required prior to successful assessment in July 1997.

Some broad insights were gained into the culture of the client organisation by the consultant. The manufacturing site was male dominated. The technical director said that the guiding principles of management culture were ‘hard work, team work and joy’. While there was a degree of banter and joking, the consultant gained the impression that the attitudes of employees were underpinned by job insecurity and fear.

### **Phase 1 – documentation – C**

At this first consultancy session neither the technical director nor the quality manager were on site. There was no obvious indication that they were unaware of the planned start date for the assignment or considered it unimportant. If the consultant had appeared irritated, it would have defined the relationship in terms of the consultant’s ego rather than the potential for building client perceived value, so an attempt was made to start work with the production manager acting as a contact. This incident was indicative of a wider issue, namely a lack of clarity as to which managers had designated responsibility for the assignment. At subsequent sessions, the consultant had to be proactive in arranging meetings and forming key relationships. No individual in the client organisation acted as though they had accountability for the value achieved from each day’s consultancy. Nominally the technical director was responsible for the assignment but, it was instigated by the group managing director who paid the consultancy invoices.

The documentation phase of the assignment, Phase 1, involved a primary relationship with the technical director. This relationship began with an explicit exploration of the project aims through which the consultant sought to explore the organisational and technical boundaries of the assignment. The technical director used the initial meeting to establish the level of experience and competence of the consultant, possibly because of the potential complexity of the assignment. He was keen for the consultant not to jump to any conclusions and take time to understand issues. It served as an example of the way in which an assignment develops through dialogue and can be led, at different times, by either party. The technical director and production manager had backgrounds in the automotive industry where they had been exposed to total quality management and statistical process control techniques for quality engineering. While they did not have a detailed knowledge of these techniques, they wanted the quality system to embrace them in a staged manner to reduce scrap levels. The high scrap levels were the result of a newly introduced production process in which the company had made a large investment. There was a contrast between the initial resistance to the assignment and the client's subsequent enthusiasm to broaden its scope. However, the consultant was aware of the dangers involved in raising expectations beyond the terms of reference of the assignment.

While investigating an existing procedure at the Midlands site, the consultant enquired about a contract review sign-off activity required on a planning document. Estimators were asked if they were conscious of reviewing a contract with a customer prior to

signing the review, or if the sign-off was simply a paper exercise. In this instance, the estimators involved said that they did not consciously link the signing of the document to any review activities. This example demonstrated clearly the difference between a meaningless yet ISO 9000 compliant activity and a meaningful indication of evidence. The problem with this process was that neither the relevant form nor the procedure linked any verifiable or manageable actions to the review. The absence of management controls or audits meant that the signature did not contribute to fulfilling the relevant policy by creating an accountable and clearly understood activity. While procedures generally require some policy statements and guidance to aid readability, their main function is to identify manageable and auditable priorities (Jackson *et al*, 1995, p122).

A meeting with the technical director, production manager and quality manager at the end of December 1996 revealed that they shared a sense of humour. At one point they offered the consultant a job, suggesting increased acceptance of him and a mutual deepening of trust. In mid December 1996 the technical director explicitly complimented the consultant on doing a good job. Despite this growth in trust, some tension grew over the technical issues surrounding the implementation of statistical process control techniques in the production area. The technical director had ambitions the consultant thought were unlikely to be achievable. The consultant addressed the problem by forming secondary relationships with production supervisors in order to develop practical ways of achieving process controls, which could then be presented to the director. The technical director

was keen to encourage one of the supervisors in the use of statistical process control techniques. The supervisor's approach appeared to involve too much paperwork, but the consultant still attempted to incorporate the ideas into the system in the form of a simplified generic approach. A more flexible accommodation of the supervisors work may have made up for any inefficiencies, through stimulating greater autonomy and motivation, at the same time providing a standard approach in other areas.

After the first phase, the consultant had a chance meeting with the group managing director who was, at that stage, the ultimate sponsor of the assignment. A comment was then made that more detailed production guidance would have been preferred. This was qualified by a statement that, registration was the priority. The consultant felt that high-level policy guidance would have been useful prior to system development. The director's comments indicated a lack of direction in the assignment, requiring the consultant to take on a project management role.

Some of the most positive experiences of Phase 1 were with the materials manager and production controller. The former was new to the business and competent, but used to a highly stable and controlled organisation and so appeared to find the relative anarchy of the organisation difficult. The production controller was satisfied with the initial contact with the consultant having provided scope for some strategic thought away from fire

fighting. This early experience helped to facilitate assignment implementation later on when the production controller became the materials manager.

Of the three main first stage contacts the quality manager showed the most resistance to the relationship with the consultant. A breakthrough in trust with the quality manager did not occur until the middle of December 1996, when he became very helpful and a constructive dialogue developed. Such breakthroughs were common among the case study companies and appeared to result from the persistence of the consultant, over a series of meetings. The role of perseverance in the process of providing value is recognised in Pine and Gilmore's descriptions of client transformation processes (Pine and Gilmore, 1999, p201). The consultant's experience was that it was easy to avoid contact with individuals who displayed resistance, particularly in larger organisations. In November 1996 the quality manager had appeared to be proud of the existing system and the consultant had responded by adopting the structure of that system for the new integrated multi-site system. This had been a symbolic act of respect for the work the quality manager had done. The consultant saw greater value in working with relevant parts of the existing system rather than starting from scratch, as this could have been viewed as implicit criticism of the earlier work carried out by the quality manager. However, after the consultant completed the quality documentation the quality manager suggested that a more radical restructuring of the system could have been justified.

### **Phase 2 – audit and implementation – C**

The consultant became frustrated by delays in the approval of the system documentation in January. However, by April 1997 the quality manager was taking active responsibility for the implementation of the project, which involved working more closely with the consultant, saying at one stage ‘I hope I can trust you’. He completed a consultancy skills’ questionnaire after the project. The only skill the quality manager indicated to have been absent was sensitivity to his position. With hindsight he would have valued more personal support to enhance his position within the organisation. However, the consultant had to balance the tension between political detachment from the organisation and attachments to individuals in order to maintain working relationships with all contacts. In April 1997 the consultant developed a goods inward inspection document to control the supply of materials into the stores. The quality manager took credit for creating this form. The consultant saw this as a positive incident, reinforcing the ownership of the assignment outputs by the client. A universal quality-reporting document was incorporated into the system by the consultant to record rejects and complaints. It included simplified language, which the quality manager didn’t like. However, the balance of opinion among the client contacts was that the form was an improvement on previous documents used for the same purpose.

The quality manager disagreed with the way in which existing forms were incorporated into the new quality system. He would have preferred a neater approach involving newly

created forms. He had a greater concern for the aesthetic value of the system than the consultant who, when faced with such a difficult project, became increasingly focussed on the primary objective of registration. There is a dilemma of speed and momentum versus long term benefit. If the consultant is overly focussed on long term facilitation of benefits to the client, then key contacts can leave, or the client may not extend the terms of an assignment to provide the necessary support. The primary assignment objectives need to be the main priority for a consultant. Opportunities to facilitate long term value are in this context a bonus.

The technical director held a series of implementation meetings for key staff who the consultant identified as important process owners and secondary contacts. The consultant proposed the agendas and details of these meetings, while the technical director provided commitment and motivation. One secondary relationship was with the sales manager who made a general comment that ISO 9000 had never helped to secure a contract. It was likely that ISO 9000 was more important to the business on an industry-wide product approval level rather than in commercial buying situations. The British Standard for the client's product stipulated manufacture within an ISO 9000 registered system. A sales supervisor had never been comfortable with the role or agenda of the consultant. By the end of January the relationship between the consultant and supervisor had relaxed with both being aware of the expectations of the other with regard to the implementation and audit of the sales procedure. One indicator of this was that the supervisor began to allow

time for the consultant whereas previously she had appeared to make excuses to shorten meetings.

Detailed implementation work at the manufacturing site in February and March was based on secondary relationships with production staff and supervisors, some of whom appeared to be surprised by the emergence of shared goals between themselves and the consultant. A breakthrough in the relationship with one supervisor was noted. This supervisor had been particularly disinterested in the assignment up to that point. It was common for the consultant to be faced with an initial attitude that any projects involving outsiders would have a high profile for short term political reasons and then wither away leaving staff to proceed with day to day matters as usual. The realisation that the assignment was ‘real’ resulted from internal auditing after which staff and supervisors realised that they would have to pay more than lip service to procedures.

### **Phase 3 – Assessment – C**

Phase 3 of the assignment occurred in June and July 1997. A third party assessment had been booked for mid July and a new quality manager, the Phase 3 primary contact, had been employed. He had no experience of quality systems or ISO 9000, but had a good technical knowledge of the product. A new managing director became the assignment sponsor, paying the invoices and the original quality manger was retained in a product development role. The consultant quickly developed a good working relationship with the

new quality manager who became very dependent and was keen to involve him in a broader project after assessment. In contrast, the new managing director wanted to use the consultant solely to get the client through the assessment, considering any further tasks to be the responsibility of the new quality manager.

In early June, implementation had not happened as planned at the Midlands site. With the assessment imminent, the consultant tried to stimulate a sense of urgency. This led to a defensive response by a site manager, the installation manager's new boss, who questioned the basis on which the consultant had communicated the implementation actions in order to expect their completion. The consultant had to respond by demonstrating that all the required actions had been recorded on internal audit reports. This was the only time that the consultant was drawn into the politics of the organisation. He feared client failure at assessment and felt let down by the installation manager at the Midlands site with whom he had developed a good working relationship. Part of the problem was the consultant's under-estimation of the extent to which the client would implement the required actions at the last minute.

The new managing director and the third party assessment body agreed to delay the incorporation of organisation changes into the system until after the assessment in July. This was interesting because a reorganisation was likely to have a massive influence on the processes of the business. In principle, quality system changes should have controlled

such process changes whereas in reality quality system changes and theoretical control mechanisms tend to follow changes in practice. This contrasted with the apparent seriousness with which the group-managing director had, unexpectedly, taken responsibility for approving the system documentation prior to issue. The quality system was seen to apply to relatively stable product engineering and manufacturing controls such as drawing and process specification changes. The reality for the client was that the customer service process was a function of production and installation management systems, which were more dependent on organisational and commercial factors than product controls. Even the most tangible output of this quality system, that is reduced scrap, was a function of the co-ordination of installation requirements with the management of suppliers and consequent pressures on production throughput. The effective management of these important systemic influences seemed to be independent of the assignment objective to achieve registration. The consultant viewed any opportunity to address the real underlying system as added value. This was dependent on the awareness and ability of client contacts involved in the assignment. The production controller provided such an opportunity through stretching the boundaries of the quality system to include some supplier management and capacity planning issues. Progressive activities tended to decrease as the assignment reached the final implementation phase when procedures were reduced to a series of auditable tasks.

After a pre-assessment by the third party assessors in April 1998, the consultant helped the quality manager to document a response indicating planned corrective actions. This was a key output as the response was expected to relate significantly to the actual assessment. In June 1997, the new managing director arranged staff implementation meetings to set priorities and responsibilities for implementation actions. The consultant actively guided all the key contacts in the production of the required outputs. Assignment process activities had involved the consultant arranging two delays in the third party assessment. A third delay was attempted and turned down by the assessment organisation. In hindsight this was a good thing as it stimulated a last minute push which otherwise would not have happened.

The client passed the three day assessment in July 1997. The priorities indicated by the consultant proved to be a good prediction of the assessment priorities of the assessors. A large number of consultancy days were required because the client did not have the resources to manage the assignment. The cost of the consultant was small in comparison to the commercial value of ISO 9000 registration to **Client C**, which required registration under its agreed terms of trade. The ultimate commercial context of ISO 9000 registration did not change during the assignment. The value in context of the individual process changes, which resulted from the assignment, was that each process was developed within a relationship with a process owner. If process owners changed then the value of the processes developed within the quality system could change.

### **Reflections by the consultant researcher – C**

It is doubtful whether an assignment with more general aims than ISO 9000 registration, or with a limited number of days, could have been successful in the environment of this organisation. While the consultant created the documented system, in reality only client managers had the authority and resources to implement the system. However, the consultant felt primarily responsible for successful completion of the assignment.

Momentum was maintained by breaking down the objectives into manageable tasks, many of which were independent of each other. When faced with organisational change, unavailable contacts or resistance, the consultant had to be flexible in identifying opportunities to form the necessary relationships to make progress. It was important to focus on the important and difficult issues, in the knowledge that the easy actions and minor details could be addressed at a later stage.

The selection of contact staff was based on the consultant's mental model of the processes and tasks that had to be addressed. This model had to be adapted when new information was provided, or when faced with differing capabilities and goals among individual client contacts. These contacts could also change over time, each bringing new considerations to the tasks involved, in some cases requiring a total re-think of original plans. This happened in **Client C's** goods inwards area after the arrival of a new manager. Perseverance, fluidity and flexibility with a clear focus on outputs were required to achieve the objective. The consultant was in a position to provide continuity

and stability in order that the client contacts could come to share in the quality system and stimulate its fruition. The consultant initially felt that none of the client contacts believed that the assignment could be successful. In part, this was due to their inability to picture any form of stable adherence to procedural controls, in the chaotic changing environment of the client organisation at that time.

The assignment can be viewed as a process of developing a coherent picture of a quality system in the minds of the client contacts. Some contacts were required to understand a small part of the system, that which they were most involved in. However, they had only a vague understanding of the system as a whole. A holographic metaphor can be used to describe this approach to the development of a quality system (Morgan, 1996). The assignment involves the creation of an organisational holographic image through particularly significant outputs, meetings incidents and confrontations, supported by the cumulative effect of small events, which contribute to the creation of the organisational model or system. The case study approach is suitable for collecting evidence relating to important events perceived to influence the value of the assignment to the client.

However, cumulative effects and multiple goals emerged over time in a manner, which could be difficult to capture through the notes of a consultant researcher. This type of organisational intervention can be viewed as a form of logical incrementalism (Quinn, 1980). In hindsight a greater degree of formalised top down direction could have been appropriate, making more use of the formal organisational hierarchy of the organisation.

Such an approach would have been necessary had fewer days been available for the assignment. In order for client ownership to be achieved, one or more of the client contacts had to share the consultant's overview of the big picture, or the quality system as a whole. The consultant focussed on three successive primary contacts as the guardians of this overview through which to manage the system. If the client contact had a clear picture of the way in which the system could work then the client could complete the required tasks without detailed direction by the consultant. In practice the client contacts wanted to use the consultant both to facilitate ownership of the system and as a contractor to address as much of the detail as possible. The time committed to the assignment by the consultant allowed both roles to be carried out.

Not only did the consultant's personality influence the character of the client's quality system but, he was influenced by the style and personality of the client contacts. The technical director who was very experienced, had a detached style of management and was unfazed by events. He responded to situations in whatever way was necessary and was not limited by rigid expectations. The consultant attempted, not always successfully, to emulate elements of this approach as a way of transcending the complexity of the organisational problems posed within the assignment. In contrast, the original quality manager had rigidly held beliefs and expectations with regard to desirable behavior. The consultant found this approach to be problematic when both were facing complex and changing problems. There was a danger that excessive detachment could be viewed as

cynicism or a lack of commitment. A degree of emotional involvement was necessary, at times to generate enthusiasm and urgency among client contacts. An accommodation had to be reached between the expectations and viewpoints of both the client contacts and consultant with regard to perceived assignment goals. This was complicated by having to consider the influences of other contacts and general organisational constraints on resources. The consultant was primarily concerned with the behaviour and actions of client contacts rather than personal transformations in knowledge or long term system improvements, which were considered to be bonuses. The following outlines the hierarchy of economic value proposed by Pine and Gilmore (1999, 177-189):

- Transformations – determine and guide – generating wisdom
- Experiences – depict and stage – generating knowledge
- Services – devise and deliver – generating information
- Goods – develop and make – generating data
- Commodities – deliver and extract – generating noise

In this context some degree of service, experience and transformational value were provided. However, the opportunities for permanently transforming the perceptions of key contacts or transforming the organisation were limited, although the assignment was completed to the commercial satisfaction of both the consultant and the client. This was demonstrated when the consultant was used by the parent organisation of **Client C** for a subsequent assignment, being that for **Client F**.

## CLIENT D

### Introduction – D

**Client D** was a plastic injection mould toolmaker. The company was owned and run by an entrepreneurial founder and had been in existence since the early 1980s. The owner was motivated to achieve ISO 9001 in order to improve the company's ability to be a preferred supplier of major customers. The tools were one-off precision items and were generally critical to customers' new product development projects. Lead times were therefore generally more important to customers than price. Pressure to cut lead times increased the likelihood of mistakes and costly rework. The workforce was clearly skilled and both the managing director and technical director were trained toolmakers. At the start of the project the business was based on one site, employing approximately fifty staff. The company invested heavily in technology for both computer aided design (CAD) and computer aided manufacturing (CAM). This technology improved the efficiency with which customer's design requirements, in the form of component drawings, could be translated into tool designs and programmed into a series of machining operations. The business trusted individual designers and toolmakers, as professionals, to carry out the required job without much supervision or independent inspection.

**Phase 1, documentation – D**

The consultant was contracted to work in association with a management consultancy firm, the salesperson for which had generated the assignment with part funding from a local Business Link. The first fifteen days of the planned eighteen days were carried out between May 1996 and January 1997, during which time the system was documented. Implementation never really got going and the assignment was suspended until Autumn 1998. Between Autumn 1998 and Autumn 1999 the client brought the consultant back for a further ten days to complete the assignment, working firstly with the technical director and secondly with a newly appointed design manager. Registration was obtained in January 2000.

The nominated client contact, the marketing manager, was a recent appointment with no experience of tool making. The consultant and client contact had a good relationship, sharing an external perspective of the business, but the relationship was of limited value because of a lack of support from senior management and process staff. The documentation phase of the project was addressed through a series of sessions with the client contact. The pace was slow, with very detailed hands-on consultancy involvement. This was acceptable to the consultant, given the number of days contracted. However, much time was wasted causing concern because the consultant was paid on a daily rate and felt the need to justify input accordingly.

A key incident with respect to aesthetic value of outputs concerned the development of a quality report document on which to record complaints and other information that could stimulate improvements. The conventional approach is to use headings such as corrective and preventive action, which can be dry and difficult to comprehend acting as a barrier to the capture of relevant data. Discussions between the consultant and client contact led to a different approach involving user friendly concepts such as ‘what happened’ ‘what was done about it’, ‘what remains to be done’ and ‘ what has been learned’. This was viewed as a mutually creative learning process for both the client contact and consultant. The output was perceived to be of value to the client and subsequent clients with whom a similar approach was taken. The consultant reflected that this type of creativity would have been less likely to emerge without a good working relationship or adequate time available. Such episodes were rare among the other case study businesses.

The marketing background of the initial key contact was seen, by the consultant, as an opportunity to provide a meaningful commercial focus to the quality system. This included a procedure to review the acceptance or rejection of quotations, so that lessons could be learnt. Process reviews revealed some cultural constraints to the open sharing of information and an organisational learning environment. For example, sales representatives were reluctant to give accurate reasons for unsuccessful quotations since to do so could undermine their positions which were highly insecure.

### **Phase 2, implementation – D**

The managing director asked how the assignment was going on day 13. This had not happened earlier. The consultant stressed the need for some personal commitment and direction by the managing director. When the quality manual was written on day 15, there was a sense that the consultant and client contact were going through the motions to complete the system documentation, without any real expectation of imminent implementation. While there had been some attempt to instigate auditing, there was not sufficient implementation to make the process worthwhile at that stage.

When the assignment re-started in September 1998, it was via a new client relationship with the technical director. By this time the organisation had three sites and approximately 150 staff. While the business became spread across different sites during the suspension of the assignment, the scope of ISO 9001 registration was limited to the activities at a single new site, not the site at which the assignment had started. The initial sessions within this second stage involved a review of existing practice against the documented system, which had been created two years earlier. The technical director had both organisational authority and an in-depth knowledge of the business. He was, therefore, better suited to the implementation of a quality system than the initial primary contact. The second phase client contact, as a technical director, was inclined to focus on the design process rather than the general administration of the system. Nonetheless, the relationship over the three days of Phase 2 re-focussed the assignment towards

implementation. Staff were brought in for audit training enabling the critical audit process to be initiated. The remaining phase of the assignment, Phase 3, was carried out with a newly appointed design manager as the client contact. This manager displayed a good balance of skills relating to technical and administrative issues and was able to guide the system towards implementation. By this stage the consultant could devote all remaining consultancy time to assistance with the review and audit of the system in a facilitative manner, which left the third client contact in control. Organisational issues were not seriously addressed within the assignment until audit training and preliminary audits were carried out.

### **Phase 3, assessment – D**

By the second and third phase of the project there was clearly a renewed management commitment to obtaining ISO 9001 registration, which culminated in a successful assessment in January 2000. The fact that the client returned to the original consultant to complete Phases 2 and 3 of the project after an 18 month suspension, suggests a degree of satisfaction with the original work carried out with the first client contact. The first client contact had left the company by this stage. The client appeared to accept responsibility for the delay without explicitly questioning the value achieved through the consultant's time. There was another gap between the sessions in February 1999 and June 1999 (day 22 and day 23). The third phase contact still did not feel that implementation was sufficiently carried out to justify a consultancy visit but felt that the delay was so long

that a session should be arranged. After the June consultancy session the third stage contact was pleased with the progress achieved. The implementation programme had been refocused and clarified using the consultant's time in a hands-on manner to complete some outstanding administrative and audit tasks. The balance between a high level facilitative and low level functional role was negotiated with the client. When the client contact is a director, as in this case, there is always a likelihood that there will be times at which the contact will have to address other important issues which may be of more value to the client than the consultant's time.

The penultimate consultancy day of this assignment in November 1999 resulted in a postponement of the assessment due to the consultant's view that production procedures and calibration, in particular, had not been implemented. Without the consultant knowing, the client re-booked the assessment for January 2000 and passed. The client contact and his colleagues had put a lot of effort into a last minute push. This had apparently involved a pragmatic approach to the identification of inspection equipment, for example labeling equipment as 'un-calibrated do not use'. The existence of equipment they did not use could be questioned. This experience taught the consultant that assessment was fundamentally the responsibility of the client and that it was preferable to avoid being sucked into the stress of pre-assessment implementation. The client contact was subsequently keen to thank the consultant for his input to the assignment outcome.

The assignment could be viewed as a series of reluctant attempts to address ISO 9000 in order to improve sales. If at any stage ISO 9000 had not been perceived to be of value as a marketing badge to stimulate increased sales, then the commitment would have been withdrawn. The series of takeovers, which coincided with the assignment, changed the context and value of the assignment in a manner which was not apparent to the client or the consultant until Phase 3. In one respect the project suspension can be seen as a delay attributable to a period of massive change and the resumption to coincide with a period of relative stability after integration of the merged companies.

### **Reflections by the consultant researcher - D**

A lesson of this assignment is that client perceived value sometimes has to be viewed over long time scales. In this case three and a half years. This assignment and to some extent, **Client C's** assignment, could better be viewed as two assignments. However, from the consultant and client's point of view the work involved had continuity and can be viewed in accordance with the three-phase structure applied to these cases. The revival of assignments can be viewed from the account development perspective as well as the assignment process level in terms of the relationship hierarchies explored earlier in this thesis. Re-contracting with the same consultant indicates a degree of client satisfaction with the consultant. This must be qualified by a consideration of the extent to which the consultant ties-in the client through knowledge of the system which would not be shared by a competitor except with additional time.

The consultant was surprised at the degree to which the original documented system could be implemented in the organisation three years later, after a major relocation and many changes in management and processes. This served to validate the original documentation and confirm that the project had stalled due to implementation problems, rather than the unsuitability of the documented system. Neither the client nor the consultant considered the original implementation failure to be the primary responsibility of the consultant. In common with **Client C's** assignment, **Client D's** assignment involved three successive main contacts. This extends the length of an assignment as each new contact has to go through a learning curve and incorporate their particular interests into the system. This has the long-term advantage of introducing a detailed critical element to the assignment as previous work is reviewed and revised, typically improving the system. In each reappraisal the consultant may have to defend the original approach and also be particularly sensitive when the previous contact is still part of the organisation. While not having direct ownership, it is inevitable that the consultant has to take some responsibility for both the successes and failures of the activities that have been facilitated through the consultancy process.

## **CLIENT E**

### **Introduction – E**

**Client E** employed approximately 40 staff in franchising and the associated distribution of materials. In the course of the assignment the firm developed a manufacturing facility, which allowed them to cut out a large supplier. The consultant was contracted for a fifteen day assignment starting in July 1996. The client did not apply for ISO 9001 registration despite the consultant's opinion that it was in a position to do so. An initial pre-assignment contracting meeting revealed that the client was concerned about using a consultant to help with a quality system, having had a bad experience in the past. Examples of previous projects were used to allay the client's fears.

### **Phase 1, documentation – E**

The client contact was the managing director, the son of the founding owner. It was uncommon in the assignments studied for the managing director to take personal responsibility for the details of an assignment. Important factors such as sufficient commitment, accountability and authority are obviously met through a relationship with a managing director. The initial sessions involved cutting out unnecessary detail from existing procedures. The existing unsuccessful system involved an excessive amount of jargon, cross referral and definitions. When faced with such a rigid set of instructions, staff had responded by 'working to rule' as if to demonstrate the inadequacy of the

system offered to them. The client contact appreciated the approach of the consultant, which was geared to making the system correspond to actual working practices.

At an early session, the consultant overheard a customer complaint and used the incident to encourage the formal capture of such incidents within the quality system. Clients found it difficult to provide examples of customer complaints. However, the consultant could often provide examples after only spending a small amount of time with a client. This exemplifies the difference between a documented system and an implemented system. Effective implementation also requires a change in mindset in order to use the system. It is not sufficient simply to capture complaints or carry out audits, but to approach these activities in a manner that will stimulate system changes and improvements. One difficulty is that clients often feel as though they are being asked to record events that have already occurred and over which they want to draw a veil. The overheard complaint resulted in a fitter being sacked after lying about qualifications. The client contact argued that the outcome would have been the same if the complaint had not been recorded.

The consultant encouraged the client to extend the scope of the existing system to include franchising, since, the processes involved could benefit from quality system controls. In November 1996 the client developed a manufacturing facility to design and manufacture equipment they had previously bought in. Again the consultant encouraged the new processes to be included within the system. Both of these extensions in scope were

accommodated within the 15 days of the initial assignment plan. However, the extra work involved, undoubtedly detracted from implementation of the existing core distribution activities. The consultancy time devoted to new design and manufacturing activities contributed to the setting up of conventional manufacturing quality system controls in these areas and was perceived to be of value to the client irrespective of ISO 9000 considerations.

On occasions, the client contact was tired and the secondary client contact found some of the work intense and heavy going. When a consultant is invited to do a day's work the client feels that the time has to be valuable and therefore has to leave other priorities to devote an intensive block of time to the consultant. The intensity can be reduced if the client wants the consultant to work in a hands-on manner producing documents off site with minimal client contact (**Cases C and F**). A facilitative approach was perceived by the client to involve extra work, but to yield more long-term value, particularly after a previous bad experience where a consultant was said to be rigid and dictatorial. As in other cases where the client contact was the chief executive, the consultant was used as an external sounding board for problems that could not easily be discussed with staff.

On day 10 the consultant produced a new design procedure, taking on the role of a specialist employee rather than consultant. The consultant found the process of writing the procedure both quicker and more enjoyable and was pleased with the result. The

danger of this approach was that there was not a client contact who obviously owned that procedure. The consultant perceived a trade-off between the efficiency and aesthetic tidiness of procedures and the degree of ownership by the client. This creative tension was necessary to stimulate long-term value through client ownership, despite being more laborious and stressful than the other option of allowing the consultant to write the procedures. The primary focus of the consultant was on outputs, hence the flexibility in style adopted if an appropriate client contact was not available to take ownership of a procedure.

### **Phase 2, implementation – E**

Audit objectives and staff awareness training were not formalised. The absence of such activities may have contributed to the client not completing Phase 3 of the assignment. Internal auditing was initiated in April 1997 on days 11 and 12. Thus five of the planned fifteen days (one not used) contracted were intended to be used to address auditing and implementation. Initial auditing relied heavily on prompting from the consultant. By the final day in June 1997, the consultant noted that the client was becoming competent at auditing. A key issue was that auditing revealed that because things used to happen it didn't necessarily follow that they still happened. Also, that it was necessary to check that instructions were understood and carried out. The consultant felt that the client was now in a suitable position to apply for registration, but would have benefited from further consultancy support. This suggestion had to be tentative as the consultant was conscious

of trying to meet the initial fifteen day contract and attempted to prioritise auditing on the 14<sup>th</sup> day in preparation for an assessment.

This assignment has to be considered as a partial failure because the objective of registration was not achieved. In retrospect the client had no clear need for registration and was uncertain of the potential benefits. This is the only one of the longer consultancy assignments, described amongst the detailed case studies, which did not lead to registration. From the consultant's perspective fourteen of the fifteen days were completed and the client was in a suitable position to apply for registration. The reason for failing to do so may have stemmed from a reluctance to pay for or take part in the third party assessment process or, it may have related to fear of failure. Another factor was that, unlike some of the other cases, there was no significant pressure from customers to embark upon the registration process. After day 14 there was still an indication that registration remained an aim. However, the managing director indicated that the potential benefits were likely to be outweighed by the cost of achieving and maintaining registration.

Some internal benefits had been achieved in the course of the assignment, particularly in the new manufacturing facility. The client also felt that the application of issue controls to franchising manuals had been helpful. Thus, failure to apply for registration did not invalidate the value of the assignment. The consultant asked the client contact for explicit

feedback on the value of the assignment after fourteen days. The client indicated that the assignment had taught him a lot and had been of value to franchise management in particular. Both the client contact and secondary contact had valued the independent opinion of the consultant about the way the business was run. All the clients studied thought that their businesses were somehow totally different from others. This perception contributes to fear that a standardised approach will not work in their business. Each client contact appeared to have a mental image of a perfectly managed organisation which was very different from the reality of the messy chaotic environment of their own organisation. The experience of the consultant was of value in demonstrating that all businesses are a messy chaotic reality and that successful quality systems could be a part of the reality.

### **Reflections by the consultant researcher – E**

In many ways the consultant felt that this had been a successful project, despite the client not achieving registration. With registration as a guiding objective, working with the managing director helped the consultant to pursue process improvements for their own sake. Priorities were negotiated with the managing director as the assignment developed. The client valued the extension of the scope of process improvement work despite this being a distraction from the original assignment aims of achieving registration for distribution processes. Finally the consultant was confident that the client could obtain registration for the business as a whole, with the enlarged scope. This may have been

asking too much of the client who may have found the management of the enlarged system too daunting a task, when considered against the doubtful benefits of registration to the client in the first place. Given that the client was very close to registration the consultant concluded that there may have been internal political reasons for engaging in the assignment. The managing director was in the process of taking over control of the family business. An increased role for procedures and a systematic approach to management may have been a way of symbolising a transition from a personalised young business to a professionally managed, mature operation.

## CLIENT F

### Introduction – F

**Client F** was a treatment plant purchased from a previously nationalised industry after privatisation, employing 25 staff. The project was initiated in the summer of 1997 to integrate a new product range into the existing ISO 9002 registered quality system. This would not normally require major changes to a quality system. However, in this case the client had inherited detailed working instructions from the original nationalised company. The group director felt that a similar approach would be required for the new product range to be provided for a major customer. The client turned to the consultancy business that had provided the associate consultant who carried out the original work in 1996. A second associate, of that business, the consultant researcher, was contracted to carry out the project initiated in 1997 addressed in this case study. In the summer of 1997, the existing quality system had been neglected, largely as a result of resource problems associated with a reduced number of staff, post privatisation. The only auditing that had been carried out was by an independent auditor from another part of the parent group.

**Phase 1, documentation – F**

A director of the client firm's parent group initiated the assignment in order to secure the commercial contract with the client's new major customer. This director had provided the analysis of customer specifications and structure from which the assignment was approached. He was based off site, so the main client contact was a newly appointed works manager. This manager had a conventional production background and was not naturally comfortable with managing a quality system. An important secondary contact was a supervisor who had previously been responsible for the quality system. Clearly there were significant relationship dynamics between the client contacts.

The technical focus of the assignment was initially on the working procedures required to meet the detailed specifications of the client's customer. Subsequently a need was identified for a general update of the quality system to bring requirements into line with new practices. Initial assumptions about the profile and importance of the new customer's specifications were revised in November 1997 after the client's customer did not show any significant interest in the details of the quality system applied to the new product. This led to a perception, shared by both the consultant and main client contact, that the work done up to that stage had been unnecessarily detailed. This was not perceived to have been the responsibility of the consultant, who had been guided by the terms of reference provided by the director. Post assignment feedback in early 1998 provided a

further twist when the client's customer began to take the sort of strict detailed interest that they had been originally expected to show.

By October 1997 the consultant had developed an on-site routine based on fitting in work between periods of waiting for the client contact. The client contact valued not having to devote continuous attention to the consultant and was disinclined towards the subject matter. At the same time the consultant started a routine of preparing work instructions off site for review at the next session. The consultant had to work hard to command the attention of the client contact and the slow progress may have led to some cynicism and impatience being displayed by the consultant. This may have contributed to the client contact informally questioning the consultant's commitment. 'You don't care, do you?' was the phrase used, in a lighthearted manner. The consultant viewed this as an important indicator of the client's feelings and responded by staying on late that day. This incident preceded the session noted as being a relationship breakthrough to a deeper personal level. The conversation broadened to personal family matters as well as the politics of the client organisation. The client contact was then perceived to have accepted that however difficult the project was, the consultant had demonstrated the commitment to see it through and would therefore have to be supported. Some procedures prepared off site helped to stimulate a greater engagement in the assignment by the client contact who was pleased with the material.

A formal review was carried out with the director in November 1997 to verify the acceptability of draft working instructions. By April 1998 the consultant had expressed concern that, due to the slow pace of the project, too many consultancy days had been used. The client contact responded by suggesting that the consultant had done a lot of work, implying that the relationship was valued. The consultant was happy to carry out extra days work, but this had to be qualified by the client's perception of value. The client contact routinely apologised for not being able to devote sufficient attention to the consultant, indicating that the project was taking up more of the consultant's time than was expected.

### **Phase 2, implementation**

Key outputs were action lists, created by the consultant at various stages of the project. These were word processed at the early sessions and hand written once the relationship had stabilised and mutual trust had been developed. The degree of formality reflected the security felt by the consultant. An informal list was seen as an attempt to remind the client contact of agreed actions, whereas, a formal action list, copied to the director, was used to justify the consultant's input to the assignment. Prior to the third party assessment the consultant produced the minutes of a management review meeting. He was not comfortable taking over this task which should have been an important responsibility of the client. However, on balance at that stage, the relationship was best served by hands-on direction. The lack of site leadership and commitment shown by the client contact

resulted in very little formal involvement by other staff members. Internal training records were completed and staff involved where necessary to carry out internal audits. However, no time was made available for formal awareness sessions or process working groups. The consultant had difficulty in getting the attention of the key contact, yet felt able to pursue the assignment goals without his general involvement.

The supervisor, or secondary contact had an ongoing involvement in the assignment, but always appeared to be constrained by no longer having formal responsibility for the quality system. A key moment in the relationship with the supervisor was when, in April 1998, he expressed a belief that the consultant was worrying too much about the imminent assessment. The supervisor was drawing upon experience of previous third party assessments and revealed that he had a good personal relationship with the assessor, which would help ensure a successful audit. This was significant because it indicated a willingness of the supervisor to take responsibility for the quality system at the assessment phase. In December 1997 a planned third party assessment was postponed on the grounds that the system was being redeveloped to address the new product line. In January after an extensive off-site rework of the system documentation the client expressed satisfaction with the work that had been done and booked the third party assessment for May 1998.

The assignment output that demanded the greatest amount of attention by both the client and the consultant was a quality planning document on which to record the inspection results for the new production processes. The plan attempted to address all the main technical requirements of the customer specification on one document. In hindsight the assumption that the technical requirements were mandatory was false. A post assignment meeting, involving a new supervisor, revealed that custom and practice allowed a simplified standard to be applied by the customer. However, the client firm's customer was prepared to exploit the gap between theoretical and actual specifications to alter standards in accordance with production demand. That is, standards were allowed to drop when the product was in short supply.

### **Phase 3, assessment**

The assessment was passed in May 1998. A follow up consultancy session took place in January 1999 prior to the next third party audit. The director pointed out that the scope of registration did not initially address the new product range so the consultant liaised with the assessment body to get an amended certificate. The director valued this action, which both verified the achievement of the assignment objective and strengthened the consultant director relationship. The director did not want the consultant back after the assignment, whereas the supervisor thought that the consultant could be of value as an auditor of the system given that the client did not have a history of self audit but had relied on a group auditor. They needed to keep their registration, and they did. The

consultant was seen to have done a valuable job by both the director and key contact, both of whom recognised the difficult circumstances of the assignment. In hindsight the consultant should have been more radical in the approach to the system and carried out a rewrite from first principles instead of attempting to adapt the existing system which was no longer appropriate to a leaner private company. At the post assignment session in January 1999, the client was planning to take on a full time quality manager in response to increased product rejections by the customer.

### **Reflections of the consultant researcher – F**

Being part of the same parent group **Client F** shared many of the organisational difficulties of **Client C**. These primarily resulted from under-staffing and a short-term sales focussed approach to quality systems. That is, ISO 9000 was seen as a badge needed to trade in certain markets. Neither **Clients C** nor **F** were inclined to put the necessary resources into gaining serious process benefits from a quality system. Also like **Client C**, **Client F** did not clarify who was responsible for the assignment. The natural owner of the system had been marginalised by a new manager who had the authority to develop the system, but lacked the resources or interest. The group director made an occasional contribution but limited involvement to a general progress review. Also in common with the assignment for **Client C**, the director who paid the bills demonstrated an understanding of the difficulties facing the consultant by agreeing to all the necessary additional days that were required to achieve the result. The large number of days

indicated an acceptance of the role of the consultant as a contractor, or a cost-effective alternative to employing a quality manager. The consultant had to balance the responsibility of a hands-on contracting role against the knowledge that the assignment would end and that one of the client contacts would have to be able to manage the system. The consultant did not leave the assignment with much confidence that this degree of ownership had been achieved.

In terms of Pine and Gilmore's (1999) hierarchy of value, this assignment achieved less than the other detailed cases studied. The value generated was confined to the level of service necessary for the client to obtain registration. In considering such theoretical concepts of value there is a danger that the commercial context of client perceived value can be overlooked. In terms of the consultant's ability to help the client achieve the objectives in difficult circumstances, the assignment could be viewed as generating a high level of value. The competitive element needs to be considered, whereby other consultants may have given up or been unable to achieve the required objective. Another important commercial factor is the value to the client of retaining registration to generate revenue with customers who required registration.

## Mini cases

### Introduction to mini cases

The six cases described above all took more than ten consultancy days to complete between 1996 and 2000. The following is a summary of sixteen additional mini cases which were all completed within ten days. Key comparative elements of the mini case assignments are shown in **Table 7-2**. Reference numbers for the relevant firms are provided within the text below.

Eleven of the mini cases were carried out by the author of this thesis, acting as an associate consultant and working within a workshop structure. This involved six workshops shared by several clients, complemented by eight half day consultancy sessions. Only two of the workshop-based cases studied led to registration, one after a second assignment (**1 & 3**). This apparently high failure rate has to be seen in the context of some earlier workshop based assignments, which led to registration, sometimes after second assignments when the commercial pressure to achieve registration had increased. There was also evidence of dormant assignments being restarted in two of the six detailed assignments given above (**Clients B and D**). Two of the workshop-based assignments where registration was not achieved had been completed to a stage which, in the opinion of the consultant, could have led to successful registration (**2 & 5**). The clients chose not to apply for registration, firstly through uncertainty about the cost effectiveness of

registration and secondly an unwillingness to commit resources to the final implementation phase.

One mini case involved an associate consultancy assignment, to retain registration for a small office furniture design company which had undergone large staff cut backs **(11)**. Registration was achieved in this case. Two further mini cases were carried out through an association with a further education college under a services to business scheme **(10 & 15)**. **Case 9** was a six day assignment carried out through direct contract, not involving an association with another consultancy business. The client was a public relations company distribution department and the assignment also led to successful registration. This was the only one of the assignments addressed, in these case studies, which was not contracted on an associate basis by the consultant. This is an important consideration given that an association places some constraints on a consultant's ability to manage the commercial aspects of an assignment. These constraints generally related to the consultancy fees and the number of days contracted with the client. Apart from workshops, the consultant was fully in control of all other aspects of the assignments studied, including the frequency of meetings. The mini cases covered a wide range of small service and manufacturing businesses.

MINI CASES 1 TO 8						
Mini Case No.	Type of business	Ownership	No. of staff	Contract structure	Project length	Outcome
1	Training in business administration	Owner manager	15	Association based on revival of previous workshop based assignment	10 days between August 95 and August 96 after previous workshop based assignment in 1994	Obtained registration to ISO 9002
2	General engineering	Family business	2	Association through part funded workshop scheme	6 workshops + 8 half days between Aug 97 and May 98	Ready for registration but did not apply
3	Design and distribution of medical products	Owner manager	7	Association through part funded workshop scheme	6 workshops + 8 half days between Aug 97 and July 98	Obtained registration to ISO 9001
4	Surveyors	Partnership	12	Association through part funded workshop scheme	6 workshops + 8 half days between Nov 96 and Dec 97	Did not fully implement the system
5	Business counselling	Charitable trust	3	Association through part funded workshop scheme	6 workshops + 8 half days between Feb 97 and Nov 97 after previous workshop based assignment in 1994	Ready for registration but did not apply
6	Software distribution	Owner manager	13	Association through part funded workshop scheme	6 workshops + 8 half days between Oct 96 and May 97	Did not implement the system
7	Surveyors	Partnership	9	Association through part funded workshop scheme	6 workshops + 8 half days between Feb 97 and July 97	Did not implement the system
8	Maintenance of production machinery	Owner manager	6	Association through part funded workshop scheme	6 workshops + 8 half days between May 96 and Jan 97	Did not implement the system

**Table 7-2**

**Mini case consultancy assignment details**

MINI CASES 9 to 16						
Mini case No.	Type of business	Ownership	No. of staff	Contract structure	Project length	Outcome
9	Distribution operation for public relations business	Distribution unit of a larger business	2	Direct contract between the consultant and client	6 days between June and October 96	Obtained registration to ISO 9002
10	Distributor of marketing material	Part of a larger group	30	Association through a further education college	10 days between May and Aug 96	Obtained registration to ISO 9002
11	Office design	Partnership	12	Association	6 half days between May and July 96	Maintained ISO 9002 registration
12	Electrical construction engineers	Owner manager	3	Association through part funded workshop scheme	6 workshops + 8 half days between Sep 95 and May 96	Did not document the system
13	General engineering	Family business	6	Association through part funded workshop scheme	6 workshops + 8 half days between Sep 95 and July 96	Did not implement the system (Revived late 2000)
14	Archaeological surveying	Sole trader	1 + associate	Association through part funded workshop scheme	6 workshops + 8 half days between Jan and June 96	Did not document the system
15	Precision tool making	Family business	30	Association through a further education college	10 half days between March and July 96	Obtained ISO 9002 registration
16	Plastic moulding	Part of larger group	20	Association through part funded workshop scheme	6 workshops + 8 half days between May and Nov 96	Did not implement the system

**Table 7-2** cont.

**Mini case consultancy assignment details**

### **Phase 1, documentation for mini cases**

For those mini cases that did not lead to registration there have to be questions about the sales contracting processes, which led the clients to commit to the assignments. The effectiveness of combining group workshops with consultancy should also be questioned. The workshop-based assignments involved a relatively small commitment of time and were subsidised by the local Business Link. The cost to the clients was, thus, relatively small. The consultant had no direct control over this sales process from the position of an associate. The consultant did have some control over assignment contracting for the other four mini cases which were not workshop based and all led to registration. Part of the reason why some clients did not get in a position to apply for registration was that they were never suitable clients and had been victims of high pressure sales tactics. However, various other factors were relevant for particular clients. None of the cases studied involved a failed assessment, but a decision at various stages not to proceed to a suitable position to allow application. The three stage structure employed for the detailed cases was equally applicable to the mini cases. This involved a documentation phase, followed by an initial phase of implementation and audit with a third phase of pre-assessment implementation which typically occurred after an assessment was booked. All but two of the mini cases which did not lead to registration terminated in Phase 2 after the quality system had been written, the other two terminated in Phase 1, **(12&14)**. In both the latter cases the client businesses involved only two or three people, both in consultancy businesses, which required them to sell their time thus leaving little room for

documenting a quality system. One of these clients identified their major quality problem to be not completing work on time (**14**). The further pressure of the assignment on the client's time could easily have outweighed any potential value of the assignment to the client. The consultant subsequently carried out a consultancy assignment through the workshop approach where a one man business achieved registration. The assignment was completed in early 2000 and is not addressed as a mini case in this thesis. The client involved had a particularly good grasp of the work required to complete the assignment and was himself a consultant in asset management. It could be argued that this example, together with the mini case for **Client 3**, provide a justification for the workshop approach from the point of view of the Business Link and consultants involved. Two of the mini assignments involved clients who had been involved in a workshop-based assignment two years earlier and had then re-contracted with the same associate consultant to complete their system implementation (**1 & 5**). One of these clients achieved registration, the other, being a very small charitable organisation could not afford registration at that time, despite being in a position to apply. Both organisations started the second assignment with new client contacts, the consultant being the person with direct knowledge of the previous assignments. **Client 13** decided to undertake a revived assignment towards the end of 2000. The client had no record of the original project outputs and relied on the consultant to have the relevant computer data.

Explicit feedback from the skills questionnaire (**Appendix 1**) indicated that the consultant had not addressed the appropriate organisational level within an assignment (**5**). The key contact was a member of staff seconded from another organisation, who thought the permanent manager should have been more involved. The business only had three people and from the consultant's perspective it was difficult to advise who should be the client contact. In hindsight if this issue had been anticipated by the consultant and confronted, a better balance might have been achieved (**5**). One case involved the consultant having to deal, simultaneously, with three client contacts (**3**). One of these individuals was a contractor, paid to manage the assignment. Another was the owner of the business. The consultant had to prioritise the goals of the owner, while allowing the contractor to justify his role, despite a feeling that the contractor was not doing a good job. The situation was further complicated because the contractor was a friend of the owner (**3**).

On a first consultancy visit one client commented that 'ISO 9000 is a load of rubbish' (**4**). The consultant addressed the client's anxieties about excessive paperwork and procedural rigidity. The client subsequently adopted a basic, detached, approach focussed on making some improvements to the business, while questioning all the assumptions of the consultant and ISO 9000, (**4**). This was viewed as stimulating and positive by the consultant, because any outputs of the experience had a greater chance of producing value. This example indicates the way in which client expectations, set at assignment

contacting, were reappraised through the process of initiating a relationship with the consultant, as opposed to the sales agent. An incident typical of other cases was that the client (4) stated a need to have regular consultancy visits in order to push the assignment on. The client perceived that the mindset required to address activities such as customer complaint logging was alien to the culture of a professional service provider, in that case a surveying partnership with four partners and eight staff (4). Evidence from manufacturing clients was that there was often a similar difficulty in developing the required mindset to address ISO 9000.

Another contact from a similar sized surveying partnership expressed concern that he couldn't imagine what he and the consultant would spend three and a half hours doing together (7). The time was easily taken up in an intense session allaying fears, setting expectations and discussing the partnership. Later on in the assignment, the same contact could not understand how the consultant could help to write a procedure for a core process without having experience of doing the client's job. They then went on to create a procedure together, the consultant providing the structure and identifying control points through shared dialogue and questioning. This was seen as overcoming an important mental barrier to completion of Phase 1 of that assignment. In the same assignment the consultant observed that the relationship was based on an assumed base level of professionalism. The consultant was half an hour late for a consultancy session and did not ring the client to announce the delay. This was normally the standard practice of the

consultant and the need for such basic courtesy was reinforced by an expression of dissatisfaction by the client. The client later chose to post procedures for off site review by the consultant. The consultant viewed this as indicative of a failure to encourage the client to get the best use out of the relationship. While off site review was of limited value, the whole point of the assignment was to link documented activities to real processes through detailed analysis of activities and audit. This client did not succeed in completing Phase 2 and obtaining registration.

At an initial consultancy session a client expressed concern about his inability to manage variation within a quality system (3). He expected to be told what to do by the consultant in accordance with a standard approach, dictated by ISO 9000, to which he would have to adhere. His fears and negative expectations had to be allayed by the consultant who explained that a quality system was aimed at identifying key stable control parameters within processes and that the control of common activities, rather than rare or special events, should be addressed in procedures.

The creation of quality system documentation in Phase 1 involved a combination of off-site work by the consultant and work carried out by the clients. In some cases the consultant prepared draft documents on site for clients. The primary method of documentation was for the consultant and client contact to analyse a process and then prepare a draft procedure together. For some clients this process amounted to the

consultant dictating every word (2, 9, 13). Other clients valued their own input and preferred to make notes and prepare a detailed procedure in their own time (4, 7, 10). The consultant attempted to be flexible and negotiate an acceptable way of working with each client, which could alter depending on time constraints and the nature of the procedure being addressed. Some of the better educated clients found procedure writing surprisingly difficult. The problem seemed to be in mentally switching from the discussion and analysis stage to the synthesis and documentation stage. The opposite was also common, a client would jump into producing outputs before thinking about all the consequences for the process. This latter problem was associated with clients being offered standard forms and sample procedures at workshops. Some clients had great difficulty in choosing between alternative approaches offered or adapting these standard documents to their specific needs. The consultant had an obligation to the workshop structure and could not dismiss the standard documents out of hand. However, in many cases greater efficiency would have been achieved by ignoring them. Clients said that they had learnt from each other through the experience of shared workshops. Improved computing skills in relation to directory management, word processing and flow charting applications were common examples.

For workshop-based consultancy assignments episode contracting was initiated and reinforced by the experience of workshops alternately with consultancy sessions. The workshops involved relationships with other consultants as well as other clients. They

became a valuable social experience for some clients who did not often get an opportunity to compare their businesses with others in any detail. The social cohesion of the workshop groups created peer pressure and friendly competition, which influenced the commitment of the clients to the assignments. Despite the importance of the clubs, the one-to-one relationship between consultant and client developed between eight half day consultancy sessions was similar to that experienced in assignments which did not involve workshops. The clubs involved invited guest speakers, including representatives from assessment organisations which, when not reduced to sales pitches, offered clients the chance to talk directly to assessors. The workshops were designed to provide support for the on site consultancy sessions. The disadvantage was that only a small proportion of the workshop content was directly applicable to all the clients attending. An advantage of the workshop approach was that clients were offered different alternatives and views from other consultants, which could stimulate new practices. The workshops involved an organisation chart exercise. Some clients approached this as a marketing exercise to create an illusion of a large multifunctional organisation in a small business. Other clients used the exercise to develop process maps, which were very useful in structuring the documentation of procedures. One client contact could not grasp the concept of internal quality problems. The client saw the resolution of problems as a natural part of the work process. This view was actually in tune with the progressive approach to ISO 9000 being espoused (13). The structure of ISO 9000 and the workshops required such concepts to be initially considered independently and then incorporated into the system documentation.

One of the small consultancy clients was in a very immature stage as a business, not even having a business bank account **(14)**. It is highly unlikely that ISO 9000 was ever intended for such organisations. Faced with having to engage with this client, the consultant was able to offer some added value in terms of assistance with basic job costing processes. It could be suggested that such assignments should be terminated on the grounds of inappropriate expectations. However, it was observed that the assignments would naturally terminate if the client did not perceive that they were experiencing a valuable relationship. Termination only occurred twice during Phase 1, in the cases studied **(12 & 14)**. It was more common for the contracted days to be fully used with the client not wanting to embark on the last Phase 3 push to assessment **(4, 6, 7, 8, 13 & 16)**. Very small businesses could be more of a challenge to the consultant than larger clients. There was a greater need to test assumptions and produce simplified customised outputs, which could work in practice. At the same time these organisations, typically, had fewer resources and less time for the creative process of developing such solutions. One of the clients was a small father and son machining business **(2)**. They worked to some procedures based on the experience of the son who had a concern for quality. This led to the business producing negligible rejects. They had already achieved the main goal of a quality system prior to initiating the assignment. Excepting marketing considerations, the benefits of a comprehensive ISO 9000 system were likely to be realised only if the organisation expanded. This was unlikely as a result of the personal cohesion between the

two family members and also the preferred strategy of investing in machinery rather than staff. One client contact expressed a view that the experience of the quality assignment would enhance his personal career **(8)**. This contact left the business near the end of the assignment. The owner manager could not find the relevant documentation and the project broke down. This demonstrates the danger when small business owners allow a project to be dominated by an employee without taking the necessary degree of ownership themselves.

The technical experience of assignments, shown in the model of client perceived value in **Chapter Six**, was influenced by initial client expectations. One client expressed concern about the amount of paperwork generated in an assignment. The consultant had previously explained that a certain amount of new documentation was inevitable. This client was a small family run machining business, which had operated without any documented manufacturing controls **(13)**. Despite concerted attempts by the consultant and client to achieve a workable balance the assignment terminated in Phase 2. This was typical of other failures, which occurred when the client realised that the audit process required practice to comply with the stated procedures. As stated earlier, this client attempted to revive the project in late 2000. One client had an existing maintenance procedure, which was complex and impractical to implement **(15)**. By concentrating on a simple method of filling in the relevant documents the consultant was able to help to implement the procedure without making any changes to it or the standard forms

involved. To the consultant, this exemplified the desirability of actions and outputs focussed on working routines rather than on the content of documented requirements, which were typically open to varied interpretation. A client who was undergoing an assignment to retain ISO 9000 had a tendency to backdate records in the belief that it was necessary prior to an assessment **(11)**. The consultant viewed this as an unnecessary complication and expected third party assessors to prefer the honest approach as long as basic controls were demonstrated. This client did not come to terms with quality auditing and in common with other cases expressed a desire for unaudited guidance procedures for sales activities outside the scope of ISO 9000.

The normal consultancy approach was to generate outputs in draft form at each consultancy session. On one particular occasion after an intensive session developing a procedure for a client's core manufacturing process, only limited notes were made and the client was left to draft a detailed procedure **(16)**. The next session was two months later and the client had not produced the draft. Both the client contact and the consultant had difficulty in recalling the details of the previous session, which had concluded with a very clear and satisfying plan. The draft was produced at the second session, but the experience demonstrated the importance of linking outputs to the assignment process as closely as possible. One client made multiple revision changes to system documentation prior to implementation. The consultant tried to encourage procedure development to take place in parallel with implementation and audit. However, the client contact appeared to

have a mental concept of a theoretically perfect procedure. There also seemed to be fear of discrepancies occurring after implementation (1).

Some of the mini case firms had unsuccessful experiences with previous quality consultants (15, 16). Excessive documentation and irrelevant detail were given as the reasons for the failure of previous projects. Some of the clients had pre-existing quality system documentation in some form (1, 5, 11, 15, 16). In one case a sales manager of a moulding company had obtained a quality manual from another business and was insistent that it provided everything required (16). This incident was affected by internal politics, the sales manager having been ousted from a previous role by a new managing director who was the primary client contact for the assignment. The consultant perceived the underlying issue to be a challenge to the technical ability of the client contact, who had a financial, rather than a manufacturing background. The consultant was able to win the sales manager over by contrasting the detail of the quality manual with the practices and needs of the client's organisation. The consultant had employment experience in the plastic moulding industry, which helped to build credibility for the assignment on behalf of the client contact. One client asked the consultant for qualification certificates, prior to commencing the contract (9). It was significant that this particular assignment was undertaken privately without referral, association with a larger consultancy, or the involvement of a funding body.

Some clients gave an impression of competence, which led the consultant to apply a hands-off guiding approach (3, 7, 12). One client contact took six consultancy sessions before a procedure was produced (12). The consultant had focussed efforts on process analysis and had been impressed by flowcharting produced by the client. In hindsight the consultant had failed to stimulate timely outputs at the early stages of the assignment. This was despite a good relationship having been developed with the client. Indeed this distracted the consultant from basic project management tasks. On reflection, the consultant perceived that the client should have been confronted with the lack of output in a more forceful manner. Notes indicate that some clients, and indeed the consultant could easily become trapped in intense discussion of logical details of a process. With certain clients there was a need to step out of the debate and reassess the situation to stimulate action and outputs (4, 6, 8, 14). The logic sometimes had to be sacrificed in order to preserve a positive dynamic within the client consultant relationship. On balance the consultant viewed the best way to provide value to be through actions of a trial nature that could be reviewed in the context of later feedback. Excessive theoretical and abstract discussions, during on site consultancy episodes, were a major constraint to the progress of at least two of the mini cases. But, the workshops could provide an appropriate forum for abstract discussion. One such instant was an exercise designed to introduce the definition of quality, perceived to be successful by clients. The exercise involved offering a selection of different makes of apples to the clients and asking them which was the best quality apple. This revealed concepts such as taste, personal preference, perception and

value as being pertinent. These were often plausible dimensions of quality which had not previously been considered by the clients. One incident involved conflicting advice from consultants at a workshop with respect to one client's policy statement. This could potentially threaten the credibility of one or other consultant, but was also an opportunity to emphasise the validity of different opinions and options open to the client. The importance of listening carefully to client's concerns was revealed through observing other consultants at workshops. If clients didn't get answers to the precise questions they asked, they gave up asking. This must have affected their perceptions of the value of workshops, if not the on-site consultancy sessions.

It was inevitable that some client contacts would get on better with the consultant than others at a personal level. For example, one client contact had a slow style of working and often insisted on using his own words, in place of alternatives offered by the consultant (6). The consultant found this to be particularly frustrating, an experience perceived to be shared by the client. The consultant thought that the sessions were laboured, lacking humour or discussion of issues outside the explicit task to be addressed. The consultant viewed this as an unnatural way to spend a series of sessions with an individual person. In hindsight this particular client contact appeared to be awkward with colleagues and was probably in an insecure organisational position. There was no indication to the consultant that the individual was naturally awkward with people outside the office environment. The office was also small and open plan, which may have made

the contact guarded. While some relationships very quickly developed on a personal level others required a series of meetings prior to a relationship breakthrough being observed. The difficult relationship mentioned above (6) took six sessions before a breakthrough was noted. This breakthrough resulted from the consultant confronting the client contact about his style of working. The consultant explained that he had difficulty with the way in which the client contact liked to discuss things and agreed to do them later and often did not, in contrast to typical clients who used the consultant's time to generate some output and make tangible progress. The expression of the consultant's impatience and frustration to the client was a watershed, after which both the client and the consultant were more relaxed with each other on a personal level.

Personal relationships within assignments were dominated by time. It is proposed that the need to manage time in consultancy relates to Schein's (1989, p113) concept of pacing. In this sense time management has to address the appropriateness of activities in terms of the state of a personal working relationship as well as the scheduling of activities. Each half day of the consultant's time was a unit of value. It is, therefore, not surprising that the use of this time and the interval between sessions provided the structure within which the client's perception of the assignment was measured. The consultant observed that client contacts from smaller businesses tended to devote more attention to the consultant when on site. They were conscious of the cost of the consultant's time, relative to the value of their own time to their customers. When the client contact had to address routine

matters outside the assignment the consultant had to achieve a balance between using on-site time to do work for the client and spending time working through the client to facilitate understanding and ownership. One client expressly requested the consultant to carry out more hands-on work in an employee type role **(11)**.

### **Phase 2, implementation for mini cases**

The auditing process affected personal working relationships. This was exemplified with a small client, where the primary contact was a manager, and a single member of staff was responsible for procedural implementation **(9)**. Any audit findings were inevitably perceived by the secondary contact as a measurement of performance. This was despite attempts by the consultant to emphasise that the purpose of the audit was to test the system and the appropriateness of the procedures rather than the individual's performance.

Working through a primary contact made the documentation phase of assignments easy for the consultant and the client. The client contact–consultant relationship was focussed on producing the documentation, bringing in others when necessary. In its more extreme forms, case notes indicate that the consultant found the dominance of the assignment by one individual to create a barrier to the involvement of others. One particular example was an assignment where the managing director was the primary contact and had a tendency to dictate policies and procedures without as much discussion with relevant

staff as the consultant would have liked (10). The lack of involvement could store up implementation problems for later on in an assignment. The consultant tried to encourage the managing director to retain responsibility for the quality system, which was seen as a very important indication of commitment. At the same time the managing director was encouraged to delegate the authority for controlling some processes to those who were directly involved in the work. During a staff awareness session held within the assignment a supervisor was concerned that he would have to become the quality manager, taking on all the responsibility for the quality system. This was an expression of a common misunderstanding, whereby organisations assumed that the managing director could not be directly responsible for the quality system, or be the Management Representative, in ISO 9000 terms (BS EN ISO 9001: 1994). In reality assessors and consultants are delighted when managing directors take on direct responsibility for managing quality systems. Such a commitment was seen by the consultant as an opportunity to address some of the strategic marketing issues within which the quality system operates. At the same session another member of staff asked if the quality system was a set of rules which they had to obey. In one sense this could have been seen as a correct understanding. However, the consultant viewed the statement as indicative of the dictatorial approach to the system up to that point. In the auditing phase of the assignment trainee auditors quickly picked up the need to communicate whether the defined requirements of the system were being met, but they could not so easily get into the habit of presenting factual and reproducible audit evidence. This was an observation made in

each case studied. Auditors initially saw their role as one of making judgements rather than collecting system data so that judgements could be made. The consultant tried to emphasise the objective data gathering aspect of auditing in order to depersonalise the process and make all organisational members more comfortable with regular audits. In another mini case for which the managing director was the key contact, the consultant observed that the managing director was detached and insensitive to staff **(16)**. An advantage of a key contact with less authority is that secondary contacts can be approached informally without formal organisational pressure on those involved. The lack of pressure generated more open dialogue and consequently a more creative approach to procedure development, which was then workable on implementation. The ideal was to have access to the organisation through both levels. This was achieved for **Case 10**, where the foreman took on some of the detailed process responsibility and the client achieved registration. The lack of an effective contact other than the managing director was viewed as one of the reasons the assignment for **Case 16** failed at the implementation stage.

Two of the mini cases involved partnership organisations **(4 &7)**. In both cases one partner took on the role of key contact and had difficulty involving some of the other partners in the assignment. Partnerships could be viewed as separate businesses sharing office facilities. Some of the partners specialised in particular areas, requiring procedures which were unique to each partner. The least interested partners created what were, in

effect, no go areas within the client organisations. Neither of the partnerships had the leadership or organisational cohesion to overcome these organisational barriers and implement their quality systems. Detailed **Case A** is an example of a well organised partnership which, while demonstrating some aspects of these problems, overcame them. From a relationship perspective the assignment is dependent upon the relationships between client partners.

### **Phase 3, Assessment for mini cases**

For one of the mini cases that achieved registration, the managing director had a clear goal to use ISO 9000 to structure expansion activities and build value for selling the business prior to retirement **(3)**. While the motivations differed, all the businesses that achieved registration were led by individuals who were committed to a clear goal. They knew what benefits they expected from registration and were therefore prepared to devote time to the goal. While some of the other clients commented on benefits associated with the assignment, they were generally unclear about the commercial need for them to be registered **(4, 13,14)**. One client contact in particular was openly confused about whether he wanted registration. He did have a clear aim to achieve some improvements in office communication and administration **(4)**. A typical comment relating to assignment value, other than registration, was a client contact who said that the assignment had helped to organise processes internally as well as the interface with customers **(9)**. A reluctance of one client **(2)** to apply for registration was complicated by one of the client's customers

who said that they would not work with anyone who had ISO 9000. The customer viewed the paperwork as a distraction from producing good product. This was one of several factors, including cost, which prevented the client from applying for registration, despite being in a position to do so.

Some clients commented that the process of implementation had helped them to obtain or retain work **(5, 13, 14)**. The clients could demonstrate that they were working towards ISO 9000 registration and this could satisfy customers who considered this to be a favourable criterion within their supplier selection processes. A client contact had developed extensive check lists and well thought out controls, including a successful fax back order form which improved communication of client requirements **(8)**, thereby embracing the positive aspects of ISO 9000. Despite this the system was operating within a commercial environment controlled by the owner manager. The owner had a habit of over-promising customers in order to win sales. In this context the quality controls were of little value. Clients were invited to give talks at later group workshops to give new clients the benefit of their experience. One client contact who had failed to get past Phase 1 of an assignment spoke very positively about benefits achieved for his business **(12)**. This demonstrates the danger of over emphasising the importance of achieving registration for some small clients. One example of the difficulty in applying preconceived ideas of small business management was clearly demonstrated by an

incident in one of the mini cases relating to a family business. The management review meeting was said to be carried out in the bath **(13)**.

The assignment process involved in the mini cases spanned periods of six months to several years in the case of the revived mini cases. One of the client contacts, a managing director said that his business was managed against a two year payback for all investment decisions **(16)**. When compared to this short-term strategic time frame, the assignments could be viewed as long processes. It was not surprising, therefore, that the context of some of the assignments changed within the assignment life span.

## **Implications of the case study findings**

The case studies produce evidence of generalisable themes and value drivers that provide insight into the processes by which, client perceived value is developed, through a client consultant relationship. These concepts form the basis of the analysis in **Chapter Eight** and the subsequent integration with the model of client perceived value proposed in **Chapter Six**. This integration forms the basis of the system for client perceived value proposed in **Chapter Eight**.

# **Chapter Eight**

## **CASE STUDY ANALYSIS**

### **Objective**

The objective of this chapter is to analyse the case studies described in **Chapter Seven**, in order to identify any necessary modifications to the model of client perceived value proposed in **Chapter Six**.

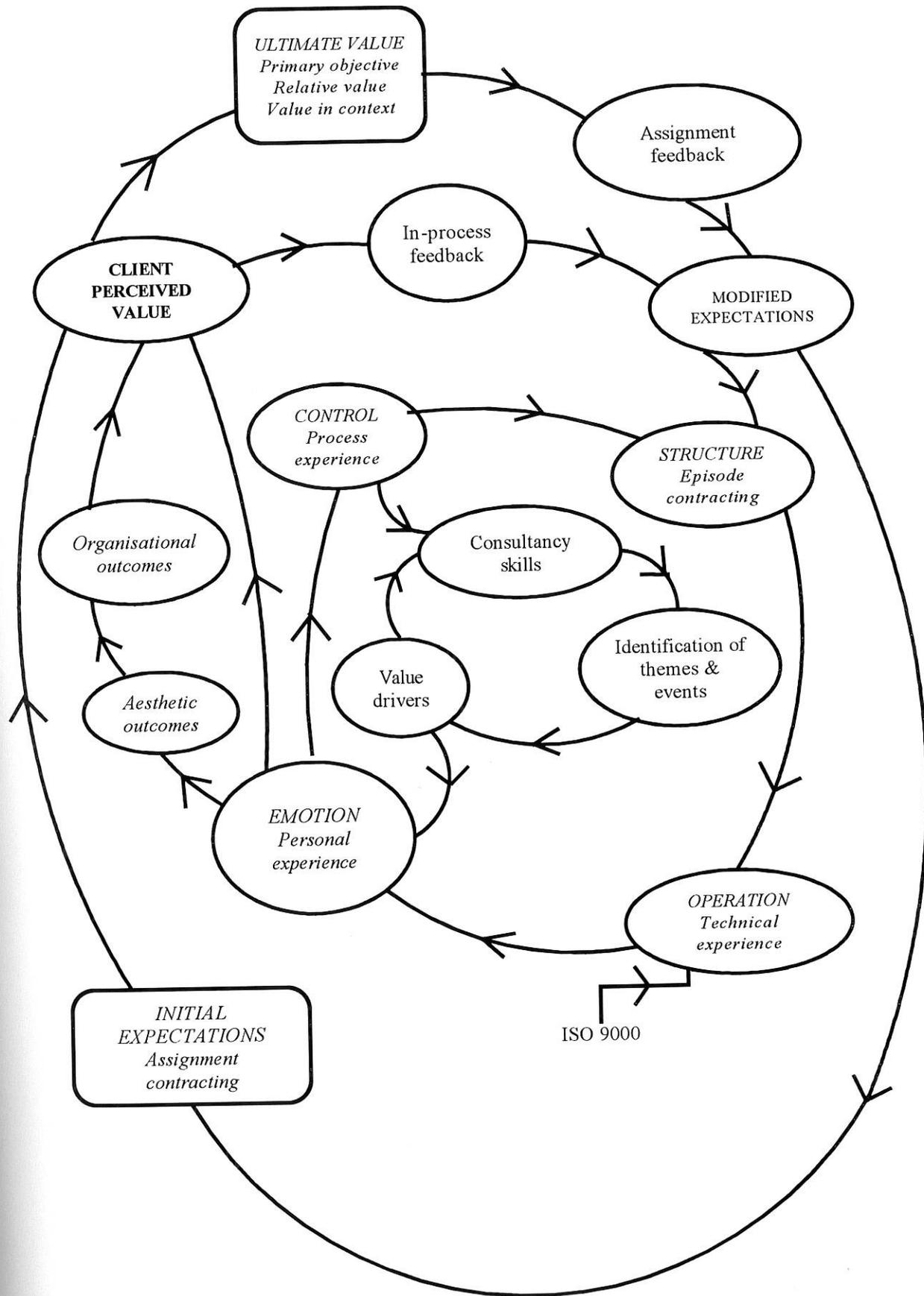
### **Summary**

In the analysis of case studies, common themes, contrasting events and value drivers were identified as relevant to the achievement of client perceived value. The results of the analysis are used to develop the model of client perceived value, from **Chapter Six**, into a proposed system for value generation (**Figure 8-1**).

### **Introduction**

A detailed analysis of the case studies is provided in **Appendix 4**. This chapter explains how the analysis is used to develop the model of client perceived value into a proposed value generation system, represented in **Figure 8-1**.

**Figure 8-1**  
**Assignment value generation system diagram**  
(NOTE: Client perceived value elements are shown in italics)



**Figure 8-1**

**Assignment value generation system**

## **Assignment value generation system** **(shown diagrammatically in Figure 8-1)**

### **The inner cycle** **(Consultancy skills - Identification of themes & events - Value drivers)**

The inner cycle of the system represents the need for a consultant to apply skills to activities that lead to commercial client satisfaction, expressed as value drivers. The identification of recurring themes and contrasting events enables a consultant to identify value drivers when carrying out assignments. By anticipating and managing important events as they emerge, the consultant can influence the ultimate perceptions of the client. The value elements represent client perceptions of value that emerged from the key incident survey (**Chapter Six**), whereas the value drivers are more detailed case study findings from a consultant's perspective. The inner part of **Figure 8-1** can be seen as a consultant's learning cycle focused on the experiences of each client contact. The output of the inner cycle impacts the client's personal experience in association with the emotional relationship dimension. The identification of value drivers associated with each value element is illustrated in the following example for the value element *personal experience*:

- Personal breakthrough in the development of trust;
- enhancement of personal knowledge;
- respect for the client and saving face;
- client motivation;
- politics of secondary relationships.

**Appendix 4** shows how the above value drivers were identified from contrasting case study events. It also provides a comprehensive tabular analysis of further events and value drivers identified for each element of **Figure 8-1**.

**The experience cycle**

**(CONTROL/Process experience - STRUCTURE/Episode contracting – OPERATION/Technical experience – EMOTION/Personal Experience)**

The experience cycle demonstrates the value elements associated with the process as opposed to outputs of detailed episodes in the client - consultant relationship. It is in this experience that the relationship dimensions CONTROL, STRUCTURE, OPERATION and EMOTION (Musgrave *et al*, 1996) influence value generation. The episodes in a relationship provide feedback for both the consultant and client to learn from and thus input to the inner cycle of the system.

While **Figure 8-1** is presented to emphasise generalisable concepts, the importance of recognising the particular context of ISO 9000 consultancy is demonstrated through an input to the technical experience.

### **The episode cycle**

**(CONTROL/Process experience - STRUCTURE/Episode contracting – OPERATION/Technical experience – EMOTION/Personal Experience - Aesthetic outcomes - Organisational outcomes)**

The episode process directly influences perceived value via the personal experiences of a client. There are also outputs that can be viewed as, in part, external to the client, but important to the perceived value of the episode. These are aesthetic outcomes, typically documents produced in the context of ISO 9000 and organisational outcomes, which address the value of an episode to members of the client organisation other than the key contact. When the results of each episode are reviewed from a perspective of client perceived value, they provide feedback for modifying expectations and changing the planned structure of subsequent episodes. This is represented by feedback into the *episode contracting* element of value in **Figure 8-1**. Thus in the same way that the experience cycle feeds back into the inner cycle, the episode cycle feeds back into the experience cycle.

### **The assignment cycle**

**(INITIAL EXPECTATIONS/Assignment contracting – CLIENT PERCEIVED VALUE – ULTIMATE VALUE/Primary objective/Relative value/Value in context)**

The cumulative effects of the inner three cycles of the system, resulting from repeated episodes, bring about a client's retrospective view of the ultimate value of an assignment. Elements of ultimate value may emerge during an assignment, such as a change in the commercial environment or the achievement of a key objective. These key contributions to ultimate value can modify expectations and the structure of

subsequent episodes. The primary effect of the perceived value of an assignment is on a client's initial expectations with regard to any subsequent assignments. This can be seen both as an enhancement of the client's absorptive capacity (Cohen and Levinthal, 1990) and as the commercial reputation of the consultant. The outer assignment cycle thus demonstrates the need for each assignment to be influenced by the results of previous assignments in order for a consultant to build a reputation with a client organisation and other potential client organisations. The interconnectivity demonstrates how each element and cycle can influence the others and consequently the ultimate client perceived value.

From the key incident survey in **Chapter Six** it has emerged that there are three important categories of *ULTIMATE VALUE*:

- *Primary objective* – achieving the main goal of an assignment, that is ISO 9000 registration;
- *relative value* – the perceived value of the consultant's work relative to competitors that a client has had contact with;
- *value in context* – the value of the assignment in the context of changes in the commercial environment that are independent of the reputation of the consultant;

As shown in **Appendix 4**, each of the three elements of ultimate value is associated with value drivers.

## **Conclusions**

The identification of value drivers has emerged as a necessary sub-classification for practical application of the value elements. The contrasting pairs of case study events (**Appendix 4**) highlight variables associated with particular organisations and individuals involved in the case study assignments. The degree to which the events can be generalised to other types of consultancy is uncertain. However, it is argued that the grouped value drivers have sufficient grounding, through the different strands of this thesis, for a meaningful degree of generalisability within ISO 9000 assignments. Further, it is argued that the findings of this thesis, represented in the assignment value generation system shown in **Figure 8-1**, make a contribution first to the theory and practice of ISO 9000 consultancy and second, to that of quality management.

# **Chapter Nine**

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Introduction**

This chapter reviews the development and interrelationships of the preceding chapters in terms of the value generation system proposed in **Chapter Eight**. Implications of the system for both consultants and clients are suggested. The conclusions include the contribution of this thesis to the theory and practice of both consultancy and quality management. Recommendations for further research are provided as well as a discussion of the validity of the integrated strands of the research carried out for this thesis. Survey tools are proposed, based on the research findings, for use by professional service providers.

### **Validity of the integrated research**

Building on the process model evaluation in **Chapter Six**, the following considers the case study analysis with regard to the validity of the integrated strands of research, the findings of which are represented in the proposed value generation system (**Figure 8-1**). The validity is analysed as a response to a series of questions posed by Strauss and Corbin (1990, p23).

### **Does the value generation system fit the reality of the area being researched?**

It is argued that the value generation system adds a dynamic element to the process model, based on in depth analysis of real commercial assignment events. The case study findings are judged on the basis that all the work involved was invoiced and paid for by clients, unlike some other research into professional services, which is believed to be carried out free of charge. A degree of artificiality could result from researching a free service, in which the relationships involved are potentially different from commercial relationships. The value generation system does not pre-suppose a sequential time distribution, or identify generalisable key incidents or cumulative effects. Rather, by deepening understanding of relevant mechanisms and concepts, it is suggested that the processes of value generation can be continually monitored and reviewed to achieve a heightened awareness among service providers and clients.

### **Is the value generation system comprehensible?**

It is suggested that, with reference to concepts and themes given in **Tables 9-1 to 9-10**, the value generation system (**Figure 8-1**) offers a comprehensible representation of the complex realities involved in achieving client perceived value within professional relationships.

**Is the value generation system conceptually applicable to a variety of contexts?**

The value generation system has emerged from an analysis of the following:

- a) Literature and empirical analysis of conceptually derived consultancy process stages;
- b) Literature and empirical analysis of conceptually derived consultancy and counselling skills;
- c) Literature and empirical analysis of concepts of satisfaction and value;
- d) An empirical analysis of conceptually framed case study events.

While the empirical testing of the proposed conceptual relationships has been shown to be generalisable only within the context of quality management system consultancy, the breadth of literature from which the underlying concepts are drawn indicates a likelihood of generalisability of the proposed system to other consultancy and professional service activities.

**Is the value generation system useful in terms of guidance and control of actions?**

The case studies include evidence of the useful application of awareness of value generation mechanisms combined with explicit client feedback within an assignment. It is suggested that the research provides sufficient breadth and depth to guide actions at different levels of interest ranging from the pursuit of further academic research to the transfer of practical experience to professional service providers and their clients. The research includes content of sufficient practical insight to be of direct benefit to

professional service providers and their clients, neither of whom may always have the time or interest to embrace all aspects of the proposed value generation system. The inherent subjectivity of the consultant researcher aspect of this thesis results in data and findings likely to be more beneficial to practitioners than clients.

## **Contribution to the theory and practice of quality management**

Rather than defining quality as a static aim, this thesis proposes a methodology for identifying elements of client perceived value that emerge through a dialogue within a dynamic relationship (Field, 1999). It is particularly important to consider the definition of quality when researching into ISO 9000 consultancy, which has an in-built approach and provenance with respect to the concept of quality (Jackson *et al*, 1995, p155; Seddon, 1997; North *et al*, 1998). In **Chapter Two** it was proposed that there was no established definition of the word quality that was universally helpful to managing quality, particularly in professional services (Ghobadian, 1994; Lee and Oakes, 1995; Peters 1994; Thomas, 1995). Quality has to be broken down into dimensions that can be managed or more directly communicated. It was argued in **Chapter Two** that the word quality should be used to express customer perceptions, only when more specific dimensions could not be used.

Building on a customer perceived value approach to quality management, it is proposed that a complex interconnected system of norms, practices, perceptions and

expectations can be grouped with a high degree of commercial resonance, under the term reputation. As discussed in **Chapter Two**, Besterfield (1990) preferred to classify reputation as a dimension of quality in preference to the word perception. A supplier can often have a good reputation with one customer but not with another, as a result of a different shared history. This research has contributed to an understanding of how reputations are created and valued within professional service assignments. This has been developed from an analysis of the interplay between norms and repeated cumulative value drivers, as well as key incidents of particular relevance to individual relationships. Obviously these considerations are also relevant to the generation of bad reputations through dissatisfaction as opposed to satisfaction. It is suggested that reputation is a useful term for considering a base level of client expectation, which has been shown to be an important consideration in generating client perceived value. And the term is particularly helpful in considering cumulative client perceived value at the account development or strategic marketing levels of inter-organisational relationships (Ford, 1998; Payne, 1995, Hakansson *et al*, 1995). The detailed perceived value elements and outputs indicated in the value generation system all contribute to client expectations and ultimately to the reputation of the service provider.

In their study of small business attitude to quality management in general, and ISO 9000 in particular, North *et al*, 1998 argue against the conventionally applied universalistic notion of quality (North *et al*, 1998, p25). They stress that quality

involves a continuously changing, unstable, dynamic process that is essentially social in structure:

*“‘quality’ in any context (economic or otherwise) is relative and socially constructed through a process of implicit or explicit negotiation” (North et al, 1998, p28).*

*“A socially constructed or negotiated approach offers a way to generate more specific formulations of ‘quality’ than attempts to suggest some mystical notion of absolute ‘quality’ which firms, their customers and employees, should be seeking.” (North et al, 1998, p32).*

The relationship approach to client perceived value, in this thesis, is complementary to the findings of North *et al*, (1998). It is suggested that this thesis makes a contribution to quality management theory and practice, in the context of the provision of professional services.

Literature, particularly Seddon’s (1997) ten points and North *et al* (1998, p165) suggests that the third party registration process, if not ISO 9000 itself, in practice, inhibits continuous improvement. The main reason for this is that businesses are not free to interpret the standard in the way they wish in order to serve customers. Instead, they add inspection activities and maintain records to satisfy the assessors, regardless of any actual benefits. Research evidence (North *et al*, 1998, p118; SGS Yardsley Survey, 1996; Campbell, 1994, p377) indicates that for small businesses in particular, the marketing value of ISO 9000 registration, in order to achieve approved supplier status, is the overriding factor in pursuing third party registration. It is suggested that clients’ awareness of the potential disadvantages of ISO 9000 (Gourlay, 1995) adds to the sensitivity of ISO 9000 consultancy projects to both favourable and unfavourable expectations and perceptions of value, all of which need to be addressed within a generalisable model. The development of a client-consultant

relationship is an effective way of stimulating genuine improvements, perceived by a client as adding value to their business. However, the key incident survey findings showed that the achievement of third party registration is not an indicator of added value to a business apart from the marketing value of registration.

The aim of quality management is organisational learning and system improvement (Thomas, 1995; Deming, 1993; Cohen *et al*, 1996). The episode experience cycle within the value generation system can be seen as a learning and improvement cycle. Skills associated with gaining new insights are necessary to achieving value in three out of the four elements of value relating to the episode process, that is episode contracting, the technical experience and the process experience (**Tables 9-2, 9-3 and 9-4**). Thus skills relating to gaining new insights are key to generating emotional value through the personal experience of a client contact (Pine and Gilmore, 1999; Barlow *et al*, 2000). The consultancy process cannot be divorced from the client's processes that a consultancy assignment aims to influence (Checkland *et al*, 1990, pp275-277). The episode experience cycle can be seen as the direct value of the consultancy process as experienced by a client contact. All the output value elements should to a greater or lesser extent have an effect on client processes. Thus the value generation system can be seen as a system for generating perceived value for clients and ultimately the customers of clients.

## **Contribution to the theory and practice of consultancy**

It is suggested that this thesis makes a contribution to the theory and practice of consultancy. The thesis reinforces the need for consultants to see their role as part of a developing relationship with a client. This relationship is focussed on increased revenue for both parties (Kubr, 1996; Juran and Gryna, 1993, p41; Bowrick, 1992). This research identifies the primary importance of individual relationships between consultants and client contacts, within assignments, as the building blocks of inter-organisational and inter-assignment relationships (Halinen, 1997, p209; MacDonald, 2000). Cumulative and key incidents that contribute to value need to be monitored as part of the management of an assignment (Ford *et al*, 1998, p7; Storbacka *et al*, 1994, p25; Groth and Dye, 1999 p283). This provides a workable means of applying quality management and customer service theory to consultancy, based on the generation of client perceived value within a relationship. The value generation system identifies the need for consultants to recognise the interconnectivity of the various elements of client perceived value (Hakansson *et al*, 1995, p25) that emerge within the process of carrying out an assignment. It provides a structure for practical soft systems methodologies to monitor relationships within assignments (Checkland *et al*, 1990).

The findings of the questionnaire survey presented in **Chapter Five** are of potential interest to consultants and contribute to an understanding of the importance of relationship building skills in consultancy (Wilson, 1996, p73). Consultants were generally found not to meet client's expectations in the activity of translating

theoretical concepts into relevant issues. Skills required to clarify jargon were considered to be particularly important by clients, but displayed less frequently than other skills. This is a concern for the future of quality consultancy, because the introduction of ISO 9000: 2000 places greater demands on both consultants and assessors (Field, 1999; O’Hanlon, 1999; Fletcher, 1999; Sayle, 1999). The questionnaire responses also indicated that consultants who employed both a facilitative and directive approach displayed skills more regularly than others. In contrast, consultants who employed a directive expert style displayed skills significantly less frequently than others. This finding supports the need for a flexible relationship approach to consultancy highlighted in **Chapter Four**, so that approaches can be adapted to suit the particular needs of different client contacts or issues that emerge at particular relationship stages (Block, 1981, p56; Schein, 1987, p125; Kubr, 1996, p55; Fogel, 1993).

### **Breakthrough**

A breakthrough in personal relationships between a client and the consultant was identified in the case studies as a key element in the transformation of a client contact’s perception of value (Pine and Gilmore, 1999). This involved the consultant noting an increase in trust and goodwill displayed by the client contact, usually after a series of consultancy sessions, but sometimes very early on in an assignment. Several episodes were sometimes required before a breakthrough in mutual trust was achieved, to establish the dialogue necessary for a consultant to generate value (Wilson, 1996, p183; Lang *et al*, 1990, pp27-30; Fogel, 1993). The goodwill

generated was then of value when errors, misunderstandings or stressful situations arose during an assignment. Trust could not simply be viewed from the point of view of the competence of the consultant or his ability to achieve aims (Wilson, 1996, p73). Trust has a social element associated with the ease of communication and personal interaction between the two parties (Halinen, 1997, pp86-208). Some form of breakthrough occurred in all the cases studied. However, it was more noticeable when a working relationship had initially been difficult. Discussions about mutual difficulties experienced in a working relationship were found to be helpful when a breakthrough was slow to take place. It is suggested that the concept of relationship breakthrough, makes a contribution to the understanding of the way in which Halinen's (1997) concept of relationship interaction style develops over a series of episodes.

## **The proposed value generation system**

Tables 9.1 to 9.10 show integrated findings of the different strands of research in this thesis. The table headings are labelled under the relationship value elements established in the process model of client perceived value, developed in **Chapter Six**.

The integration sub-headings are:

- Client perceived relationship value;
- Most relevant consulting relationship skills;
- Case study themes;
- Value drivers;
- Favourable client perceived value;
- Unfavourable client perceived value;
- Dynamics – proposed questions for explicit client feedback;
- Relationship dimensions and elements;

Each element of the integration is addressed below to show how the results of this thesis, represented in the proposed value generation system (**Figure 8-1**), can be translated into implications for professional service providers and their clients.

**Tables (9-1 to 9-10)  
To support the analysis and application of the proposed  
value generation system**

<p>CLIENT PERCEIVED RELATIONSHIP VALUE</p> <p><b>Assignment contracting</b></p> <p>CONSULTANCY ASSIGNMENT PROCESS STAGE</p> <p>Criteria for selection and <u>initial contact</u></p> <p>MOST RELEVANT CONSULTING RELATIONSHIP SKILLS</p> <p>Discussing client's goals &amp; expectations + Discussing terms of project or meeting Negotiating acceptable ways of working</p> <p>CASE STUDY THEMES</p> <p>Contact route, sales channel, expectations of associates &amp; funding bodies. Referral, demonstrable experience, evidence of qualifications, or previous work. Consultancy registrations.</p> <p>VALUE DRIVERS</p> <p>Establishing assignment aims – fixed focus on registration or emerging in the context of the client business' strategy. Establishing assignment scope - multiple sites, products or services. Establishing contact points – continuity or successive contacts / senior management or delegated. Establishing the consultant's role – facilitative or managerial role. Establishing the client's role – active project manager or reluctant participant.</p> <p>FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE</p> <p>Positive comparison with competition Displaying general knowledge</p> <p>UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE</p> <p>Negative comparison with competition Lack of general knowledge Lacking in skills or experience required</p> <p>DYNAMICS - PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK</p> <p>As a result of the initial contracting meeting were the client's expectations of the value of the project increased, reduced, or unchanged?</p>
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**Table 9-1**

**Integrated aspects of assignment contracting**

CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Episode contracting</b>
CONSULTANCY ASSIGNMENT PROCESS STAGES
<b>Initial contact and <u>gaining new insights</u></b>
MOST RELEVANT CONSULTING RELATIONSHIP SKILLS
<b>Confronting problems</b>
<b>Providing relevant examples</b>
<b>Clarifying jargon +</b>
CASE STUDY THEMES
<b>Negotiation of working approach and theoretical basis for the project, with key contacts.</b>
<b>Variable among different contacts, for aspects of the project.</b>
VALUE DRIVERS
<b>Planning detailed objectives – dictated by the consultant or negotiated with the client.</b>
<b>Negotiation of working approach – reviewing expectations and explaining options.</b>
FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Good at explaining approach</b>
UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Too theoretical in approach</b>
<b>Using complex confusing jargon</b>
DYNAMICS - PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK
<b>As a result of the consultant's approach, is the client's understanding of theory and jargon increased, reduced, or Unchanged?</b>
Musgrave <i>et al</i> (1996) Relationship dimensions & elements
<b>STRUCTURE: Flexibility, Formality, Openness</b>

**Table 9-2**

**Integrated aspects of episode contracting**

CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Technical experience</b>
CONSULTANCY ASSIGNMENT PROCESS STAGE
<b>Problem clarification and <u>gaining new insights</u></b>
MOST RELEVANT CONSULTING RELATIONSHIP SKILLS
<b>Providing necessary information</b> <b>Explaining new concepts well</b> <b>Interpreting client's situation correctly +</b>
CASE STUDY THEMES
<b>Realisation of theory through the negotiation of practical options.</b>
VALUE DRIVERS (FROM CASE STUDY ANALYSIS)
<b>Technical analysis – proposing changes and documenting practice.</b> <b>Technical understanding – a mutual learning process between the client and consultant.</b> <b>Decision making – evaluating and agreeing options.</b>
FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Judged assessor requirements correctly</b> <b>Interpreted standard well</b> <b>Focused on what is done in practice</b>
UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Interpreted standard incorrectly</b> <b>Failed to focus on actual practice</b> <b>Off the shelf approach</b> <b>ISO 9000 dictating practice</b> <b>Confused between work instructions &amp; procedures</b> <b>Procedures too general</b>
PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK
<b>As a result of the technical input of the consultant in relation to your specific needs, is the effectiveness of your operating processes increased, reduced, or unchanged?</b>
Musgrave <i>et al</i> (1996) Relationship dimensions & elements
<b>OPERATION - Accuracy of information, Availability of resources, Capability, Ease of operation, Knowledge, Responsiveness</b>

**Table 9-3**

**Integrated aspects of Technical experience**

CLIENT PERCEIVED RELATIONSHIP VALUE

## Personal experience

CONSULTANCY ASSIGNMENT PROCESS STAGE

**Problem clarification** (*a cyclic input to technical value as shown in Figure 8.1*)

MOST RELEVANT CONSULTING RELATIONSHIP SKILLS

**Listening to the client +  
Being open to the client's needs +  
Being adaptable in approach +  
Asking appropriate questions +  
Showing understanding  
Being sensitive to the client's position**

CASE STUDY THEMES

**Humour, friendly personal conversation to bring about emotional trust. A breakthrough achieved after a number of meetings. Client buys into the relationship.**

VALUE DRIVERS

**Personal breakthrough in the development of trust – shared humour and social interaction.  
Enhancing personal knowledge – Establishing the client's personal needs and providing support.  
Respect for the client/saving face – sensitivity to the client contact's position in the organisation.  
Motivating the client – instilling confidence and an emotional sense of urgency.  
Politics of secondary relationships - balancing the needs of the client contact and the organisation.**

FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE

**Stimulated personal learning  
Became a caring friend  
Demonstrated personal commitment  
Sensitive to client's role & commitments (*was process experience in SME paper*)  
On same wavelength (*was process experience in SME paper*)  
Encouraging & motivating (*was process experience in SME paper*)**

UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP

**Unable to develop beyond initial explanation  
Did not stimulate learning  
Insensitive to client's role & commitments (*was process in SME paper*)  
Lack of empathy & people skills (*was process in SME paper*)**

PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK

**As a result of your relationship with the consultant, is your personal knowledge increased, reduced, or unchanged?**

(Musgrave *et al* (1996) Relationship dimensions & elements

**EMOTION - Approval, Fairness of exchange, Respect, Satisfaction, Trust.** (Client perceived value can be seen as expressing all dimensions through emotional satisfaction).

**Table 9-4**

### Integrated aspects of personal experience

<p>CLIENT PERCEIVED RELATIONSHIP VALUE</p> <p style="text-align: center;"><b>Process experience</b></p> <p>CONSULTANCY ASSIGNMENT PROCESS STAGE  <b>Gaining new insights and action strategy</b></p> <p>MOST RELEVANT CONSULTING RELATIONSHIP SKILLS  <b>Reviewing progress</b>  <b>Summarising main issues</b>  <b>Using time effectively +</b>  <b>Agreeing appropriate actions</b>  <b>Agreeing a realistic workload</b>  <b>Encouraging the client's ownership of actions</b></p> <p>CASE STUDY THEMES  <b>Reducing the project to a set of process responsibilities. Allocating individuals with appropriate accountability and responsibility to project tasks. Facilitation to achieve client ownership through negotiation of technical decisions.</b></p> <p>VALUE DRIVERS  <b>Stimulating client ownership – balancing the need for results with the need for client involvement.</b>  <b>Timing and commitment to deadlines – Anticipating and reacting to wasted time or delays.</b>  <b>Working routines – consciousness of the benefits and constraints of established relationship habits.</b>  <b>Process feedback – identification and reaction to both implicit and explicit client feedback.</b>  <b>Structuring actions – project management activities to clarify responsibilities and time scales.</b></p> <p>FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE  <b>Hands on approach</b>  <b>Keeping client informed</b>  <b>Open to questioning</b></p> <p>UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE  <b>Not hands on</b>  <b>Not keeping client informed</b>  <b>Defensive &amp; closed minded</b>  <b>Gave standard treatment</b>  <b>Bad time keeping</b>  <b>Lack of commercial awareness</b>  <b>Lack of tangible output</b>  <b>Blinkered &amp; dictatorial</b>  <b>Didn't encourage ownership (<i>was action outcomes-organisational in SME paper</i>)</b></p> <p>PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK  <b>As a result of the attitude, skills and behaviour of the consultant, is the perceived benefit to the organisation of the relationship with the consultant increased, reduced, or unchanged?</b></p> <p>Musgrave <i>et al</i> (1996) Relationship dimensions &amp; elements  <b>CONTROL - Authority, Accountability, Dexterity (<i>relationship skills</i>), Responsibility</b></p>
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**Table 9-5**

**Integrated aspects of process experience**

CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Action outcomes – aesthetic</b>
CONSULTANCY ASSIGNMENT PROCESS STAGE
<b>Gaining new insights</b>
MOST RELEVANT CONSULTING RELATIONSHIP SKILLS
<b>Encouraging experimentation</b>
<b>Providing alternative options</b>
<b>Helping the client to choose solutions</b>
CASE STUDY THEMES
<b>Clients perception of responsibility for the project outputs. Respect for client and saving face signified through client input.</b>
VALUE DRIVERS
<b>Functional value – adding value through the adaptation and initiation of client process outputs.</b>
<b>Presentation for a particular audience–particular perceptions of users or process owners / awareness of changed owners / users.</b>
<b>Perceived responsibilities for outcomes–allowing the client to take the credit for assignment outputs.</b>
FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Helpful forms and procedures</b>
<b>Efficient, concise use of paperwork</b>
<b>Good quality manual</b>
<b>Well written documents</b>
UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Inappropriate forms and procedures</b>
<b>Too much paperwork</b>
<b>Bad quality manual</b>
<b>Errors &amp; duplication</b>
PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK
<b>Is your perception of the standard of project outputs, i.e. forms &amp; procedures e.t.c., increased, reduced, or unchanged.?</b>

**Table 9-6**

**Integrated aspects of action outcomes - aesthetic**

CLIENT PERCEIVED RELATIONSHIP
<b>Action outcomes – organisational</b>
CONSULTANCY ASSIGNMENT PROCESS STAGE
<b>Action strategies</b>
MOST RELEVANT CONSULTING RELATIONSHIP SKILLS
<b>Adapting to your capabilities</b> <b>Addressing appropriate staff level</b> <b>Stimulating necessary commitment</b>
CASE STUDY THEMES
<b>Using the formal organisational structure to spread relationship value without having the luxury of ‘episode contracting’.</b> <b>Critical to implementation phase.</b>
VALUE DRIVERS
<b>Formal activity feedback – review meetings and auditing.</b> <b>Informal activity feedback – consultant’s personal involvement in spreading awareness and understanding.</b> <b>Leadership and accountability – direction by senior management via the formal organisational structure.</b>
FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Stimulated morale</b> <b>Benefits of trial assessments</b> <b>Effective self checking auditing</b> <b>Training &amp; bringing in others</b> <b>Seeing implementation</b> <b>Revelation of how it fits together</b>
UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Lack of morale</b> <b>Failure revealed in trial assessments</b> <b>Gaps found at auditing</b> <b>Could not get management buy in</b>
PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK
<b>Is the perception, by other staff members, of the effectiveness with which agreed actions have been communicated, implemented and checked increased, reduced, or unchanged?</b>

**Table 9-7**

**Integrated aspects of action outcomes - organisational**

CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Ultimate outcome – objective</b>
CONSULTANCY ASSIGNMENT PROCESS STAGE
<b>Termination</b>
MOST RELEVANT CONSULTING RELATIONSHIP SKILLS
<b>Achieving goals</b>
CASE STUDY THEMES
<b>The timing of sub-objectives and achievement of project stage objectives. Consideration of any delays and project management techniques. Particular consideration to the transition between documentation and implementation.</b>
VALUE DRIVERS
<b>Achievement of primary objective – registration. Achievement of sub-objectives – completion of assignment phases or pre-assessment.</b>
FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>n/a</b>
UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Didn't achieve registration</b>
PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK
<b>As a result of the project, is the ability of the organisation to achieve the primary objectives (registration) increased, reduced, or unchanged?</b>

**Table 9-8**

**Integrated aspects of ultimate outcome - objective**

CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Ultimate outcome – relative value</b>
CONSULTANCY ASSIGNMENT PROCESS STAGE
<b>Termination</b>
MOST RELEVANT CONSULTING RELATIONSHIP SKILLS
<b>Developing your understanding</b>
CASE STUDY THEMES
<b>Iterative comparison with expectations. The need to reduce aims to realistic and verifiable outputs. Influenced by feedback from other businesses and assessors.</b>
VALUE DRIVERS
<b>Informal assignment feedback – implicit assignment feedback.</b>
<b>Formal assignment feedback – use of explicit questionnaires and interviews.</b>
<b>External assignment feedback – feedback from assessors and associates of clients.</b>
FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Favourable feedback from assessors</b>
<b>Stimulated effective improvements</b>
<b>Provided good value within time</b>
UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Unfavourable feedback from assessors</b>
<b>Produced no real improvements</b>
<b>Stretched the time of the project</b>
<b>‘Ripped off’ client</b>
<b>Breached confidentiality</b>
<b>Not independent of assessment body</b>
PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK
<b>In comparison with your expectations at the beginning of the project, is your perception of the consultant increased, reduced, or unchanged?</b>

**Table 9-9**

**Integrated aspects of ultimate outcome – relative value**

CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Ultimate outcome – value in context</b>
CONSULTANCY ASSIGNMENT PROCESS STAGE
<b>Termination</b>
MOST RELEVANT CONSULTING RELATIONSHIP SKILLS
<b>Evaluating achievements</b>
CASE STUDY THEMES
<b>Of particular relevance for projects which have not resulted in registration. Can any of the project costs be justified in terms of value created in such circumstances. Reveals three ultimate categories of failure. Revised value of objective, consultant or the commercial context.</b>
VALUE DRIVERS
<b>Context of original assignment aims – clarity of client’s goals and integrity of sales contracting activities. Changed client’s strategy – strategic change which alters or invalidates the assignment’s value to the client. Variation between clients – particularly favourable or unfavourable issues which relate to a client’s individual circumstances.</b>
FAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>Obtained commercial benefits from registration</b>
UNFAVOURABLE CLIENT PERCEIVED RELATIONSHIP VALUE
<b>In house approach preferred No commercial benefits of registration</b>
PROPOSED QUESTION FOR EXPLICIT CLIENT FEEDBACK
<b>In comparison with your expectations at the beginning of the project, is your perception of the commercial value of the project increased, reduced, or unchanged?</b>

**Table 9-10**

**Integrated aspects of ultimate outcome – value in context**

*Note: In the above Tables 9-1 to 9-10, skills identified with (+) indicate particularly important skills, based on survey frequencies. Notes indicate minor adjustments made to key incident data groupings from those previously published by the author of this study, Ray Murphy in the Journal of Small Business Enterprise and Development, Volume 6, Number 1, Spring 1999, pp 37-54.*

### **Relating theory to practice**

The concept of client perceived relationship value has been developed from a literature analysis of process value elements carried out in **Chapter Six** (Fogel, 1993; Juttner *et al*, 1994; Halinen, 1997; Ghobadian *et al*, 1994). **Tables 9-1 and 9-8 to 9-10** address the inputs and outputs to client perceived value for the whole of an assignment, whereas **Tables 9-2 to 9-7** address the elements of client perceived value that accumulate in a cyclic manner through repetition between each episode of an assignment. The overlap in positioning of the assignment episode stages, initial contact, problem clarification, gaining new insights and process experience shown in **Tables 9-2 to 9-5**, show that problem clarification and gaining new insights cannot be viewed as sequential activities. Rather than linear process stages, they should be seen as a recurring cycle of activities within the episode process.

From the analysis of the responses to the skills questionnaire in **Chapter Five** it can be concluded that there is no simple relationship between the frequency of particular skills displayed by a consultant and a particular consultancy style. The exception is evidence to associate the encouragement of experimentation by a consultant with a facilitative approach (5% significance). This is not surprising given that facilitation involves the encouragement of experimentation by a client (Schein, 1987, p59). Some evidence did emerge from the skills questionnaire (**Chapter Five**) to indicate that skills initially associated with the assignment process activity gaining new insights were generally displayed less frequently than other skills. Skills involved in gaining new insights require a flexible approach by a consultant based on dialogue with a

client contact. These skills relate to attempts by a consultant to develop the understanding of a client contact and to involve the contact in the decision making process. It is argued that a relationship development approach should involve these skills, which were mostly seen as important by respondents to the skills questionnaire.

The integration of concepts applied in **Tables 9-1 to 9-10** serves as a guide to the link between skills and value concepts, based on the premise that some skills are of particular relevance to particular value concepts. It is not suggested that the links have been proven within this thesis. Indeed the particular classifications and groupings of relationship skills made are considered to be of minor importance relative to the concepts and relationship process flows represented in the proposed value generation system. It is argued that a consultant who focuses on relationship development aimed at monitoring value generation processes would naturally identify shortcomings in relationship skills. Thus, while relationship skills are essential to achieving relationship value (Wilson, 1996, p73), the classification and prioritisation of skills has not emerged as an important outcome of this research. The link between classifications of value elements and relationship process stages is an important outcome of this research. Together with the concepts of value drivers and relationship themes the findings provide scope for consultants to develop action-based methodologies for generating client perceived value.

Important recurring patterns emerged from the case studies with regard to each value element. They are a practical interpretation of the conceptual aspects of value identified in the integrated **Tables 9-1 to 9-10**. The themes are a direct summary of the consultancy case studies. As such they are the least generalisable elements of the analysis. There is a tension between conceptual generalisability and the practical clarity required to help both consultants and their clients. Themes are seen as a necessary means to relay research experience to practising professionals. Different themes could be expected to emerge if the proposed value generation system is applied to other professional services. The case study themes are a necessary link between the conceptual value drivers and the relationship skills required to generate client perceived value. They provide examples to put the conceptual framework into a practical context.

The key incidents given in **Tables 9-1 to 9-10**, are taken from the analysis of client responses to the key incident survey described in **Chapters Five and Six**. They provide direct practical examples of assignment stages where clients perceived the input of consultants to be particularly satisfying or dissatisfying. These incidents were an important input to the development of the relationship process value elements that form the core of the value generation system.

The applicability of the proposed value generation system has two potential aspects identified below as static and dynamic. The research presented in the integrated tables can directly educate and inform both clients and consultants. This can be seen as a

static approach. A preferred approach to the system is a dynamic approach involving structured monitoring and reflection by both the consultant and client. In practice this has to be a highly focussed, practical and efficient process. Indeed, excessively bureaucratic or theoretical monitoring wastes a client's time and detracts from the value of an assignment. A simplified questionnaire (**Appendix 2**) was applied in **Case Study A** detailed in **Chapter Seven**. Questionnaires need to be used with discretion by a consultant to capture changes in the expectations and perceptions of a client together with brief notes of key incidents, identified through the reflections of either the client or consultant. The dynamics then address differences between the perceptions of the client and consultant with regard to key incidents as they emerge. It is argued that a comprehensive, theoretical comparison of consultant and client perceptions at a single point in time would be inefficient, static and unfocussed with regard to value drivers. Such static methodologies are common within both quality management and relationship theory (Musgrave *et al*, 1996; Berry *et al*, 1985; Zeithaml *et al*, 1990).

The concepts of relationship dimensions and elements are taken from the work of Musgrave *et al* (1996) and relate the findings of this thesis to the established theory of relationships. It is proposed that the four relationship value elements identified with the episode experience, prior to perceived outputs, can be linked to the four relationship groupings of Musgrave *et al* (1996). The value generation system proposed in this thesis focuses these generic relationship dimensions on those elements of a relationship that influence the perceived value to one party: the client.

All outputs of a consultancy assignment have been represented as outputs of the consultant client relationship. **Tables 9-2 to 9-5** indicate the comparison between Musgrave *et al's* (1996) relationship dimensions, their sub-groupings and the episode value elements proposed in this thesis:

- Episode contracting is grouped with STRUCTURE – (Flexibility, Formality, Openness);
- Technical experience is grouped with OPERATION – (Accuracy of information, Availability of resources, Capability, Ease of operation, Knowledge, Responsiveness);
- Personal experience is grouped with EMOTION – (Approval, Fairness of exchange, Respect, Satisfaction, Trust);
- Process experience is grouped with CONTROL – (Authority, Accountability, Dexterity (*relationship skills*), Responsibility).

This comparison enables both parties in a relationship to reduce the potentially limitless considerations of relationships to value elements, which contribute to commercial aims.

### **Recommendations and Implications for clients**

The main implication for clients is that the ultimate value of a consultancy assignment is dependent on the value of the initial goals and expectations. If these are minimal then the resources committed to the assignment are also likely to be minimal. A good consultant can raise expectations. However, the client is primarily responsible for setting the goals of an assignment (Block, 1981; Blake and Mouton, 1983; Schein, 1992).

The selection of a consultant or other professional service provider is obviously crucial to achieving ultimate value (MacDonald, 2000). It is suggested that consideration of references, reputation, comparison and interviews is helpful (Walker, 1997). However, value is essentially created through a relationship. Clients approach a potential consultant from the perspective of forming a working relationship. The consultant has to bring the required knowledge as a prerequisite. Added value depends upon the extent to which the client and consultant are prepared to enter into open dialogue in order to explore opportunities for generating additional value that emerge through the process of addressing the primary objectives of an assignment. Indeed this dialogue may well involve a reconsideration of the primary objectives themselves. The ability to achieve a breakthrough in mutual trust is clearly an important factor in establishing this type of relationship. A consultant is required to demonstrate basic relationship skills prior to being appointed. It is unlikely that a technically knowledgeable consultant could manage the organisational aspects of an assignment without such skills. In simple terms a consultant needs to be helpful and

not upset people. If some relationship skills are not displayed by a consultant this can prove to be an opportunity for constructive feedback, so that a client can improve the value of a relationship with a consultant.

An awareness of the three aspects of ultimate value, namely primary objective, competitive value and value in context, is important to a client's understanding of how an assignment develops and the consideration of any further work with a consultant. The value of a consultant is judged mainly on competitive value in comparison with alternative sources of support. This competitive value is essentially a return on the investment made to get the support of the consultant. The value relating to achieving the primary objective of an assignment is a commercial matter for the client. It is a minimal requirement that the consultant has the knowledge and skills to help achieve this with reasonable client commitment. The ultimate context of the value provided by a consultant depends upon the changing commercial environment. The consultant may do an excellent job and be recommended for future assignments despite much of the work being wasted due to a change in the client's commercial environment.

It is important that the client gives feedback to the consultant at all stages of an assignment. This allows both parties to manage expectations and key incidents. It also enables the client and consultant to develop habits and a manner of working together that focuses on building value for the client. Clients can benefit from confronting consultants with perceived dissatisfaction so that an incident can be managed or

patterns of behaviour changed in order to obtain better value from the relationship with a consultant. Similarly it is in the client's interest to tell consultants when they are satisfied with their contribution to an assignment. Clients need to be prepared to question their own commitment to the relationship with a consultant. Improvements usually require changes by both parties. They need to focus particularly on their expectations of a consultant and the assignment. Through an awareness of the systemic nature of relationship value, clients can attempt to compensate for inadequacies in a consultant to improve the value of a relationship. While technical inadequacy is unlikely to be tolerated, lack of trust or flexibility in the relationship experience can be confronted in a proactive manner by a client contact within the dialogue of a relationship. Through an awareness of value drivers, clients can identify suitable client contacts and consider preferred ways of working with a consultant. In identifying recurring themes clients can fully participate in the direction assignments take, proposing alternative approaches where thought necessary. The value generation system can inform clients' expectations with regard to the potential value of assignments as well as providing a structure within which to monitor progress once assignments are initiated.

Theoretically inclined clients may wish to consider the approach of Musgrave *et al* (1996) to both the consultancy assignment relationship and to internal organisational relationships. Rather than view a consultant as a source of information, clients need to have an awareness of the need to manage the relationship with a consultant. Each episode or meeting with a consultant requires a framework. This can be labelled

theoretically from a relationship perspective as structure, operation, emotion and control. Preferably the value focussed approach of this thesis could be applied, being episode contracting, technical experience, personal experience and process experience. The value generation process and cycle of planning, learning and improvement can be compared to Deming's (1993) cycle: PLAN - DO - CHECK - ACT .

### **Recommendations and Implications for consultants**

Personal working relationships between consultants and client contacts form the basis through which client perceived value is generated for client organisations (Halinen, 1997, p213; Fogel, 1993). It is proposed that value can be viewed as the sum of expectation and perception (Ghobadian *et al*, 1994, p46). Thus it is important that both clients and consultants have an awareness of client expectations. Consultants help to set client expectations and subsequently modify them through the development of working relationships with client contacts. Client perceived value can be categorised into process value elements linked to the stages through which a consultancy relationship develops. By focussing on the different elements of value a consultant can identify issues of particular value at an episode or meeting and understand which elements are relatively uncontrollable or unimportant. Clients may be concerned with technical advice at some sessions or they may value the facilitation of organisational changes at others. On some occasions client contacts have requirements for social support or to develop their personal learning.

Consultants need to identify key incidents that can leave a lasting favourable or unfavourable perception with their clients. Only if the importance of key incidents is identified can they be managed as the client consultant relationship develops.

Client perceived value is unpredictable, cumulative and dynamic, ultimately being influenced by both relationship routines and special incidents. Dissatisfying incidents are disproportionately more significant than satisfying incidents when viewed in terms of the long-term reputation of the consultant, dissatisfaction indicating failure to deliver against minimum expectations (Barlow *et al*, 2000, p255; Schein, 1987, p79). Of equal importance to key incidents is the identification of cumulative favourable or unfavourable perceptions resulting from repeated behaviour throughout the episodes of an assignment.

Relationships between consultants and their clients can be viewed to operate within a nested hierarchy of levels, identified as the episode level, the assignment level and the account development level (Lang *et al* , 1990; Block, 1981; Wilson, 1996: Payne,1995). An understanding of the way in which the structure of a relationship is repeated in cycles through episodes, assignments and long-term account development processes serves as a useful mental map through which to guide activities. This requires the ability to see the big picture of ultimate assignment value, referrals and repeat business in the context of identifying detailed objectives for a particular day's work.

Experience is no substitute for skill in that mistakes and unsatisfactory performance can be repeated. The aim of a consultant has to be to continually develop skills. The value generation system provides a framework to focus this development on the relationship with a client. Such relationships being the basis on which a consultant achieves a commercial reputation. The skills listed in the integrated **Tables 9-2 to 9-5**, relating to the episode experience, provide a structure within which to reflect on the ways in which a consultant has interacted with a client in a particular meeting or episode. Consultants may aim to display all the indicated relationship skills to some degree at every meeting. However, some skills are of particular relevance at different assignment stages and in respect to different value elements indicated by the groupings of skills within the integrated tables.

Consultants need to develop relationship skills that enable them to achieve a dialogue with client contacts (Fogel, 1993; Wilson, 1996, p183). They can then identify themes and events that change clients' perceptions of value, making necessary adjustments to roles and behaviour as individual relationships develop. Consultants identify issues that may contribute to client perceived value, in relation to relevant process elements. For example, **Table 9-2** identifies the planning of objectives at the start of an episode to be critical to episode contracting. In contrast, the value driver identified as perceived responsibility for outcomes potentially becomes relevant where a tangible result has been achieved relating to the aesthetic action outcome (**Table 9-6**). It is important that consultants reflect on their contribution to value within each of the value process elements in order to achieve a balance in customer

perception. There is no point in driving value in the personal experience, through relationship elements such as humour and motivation (**Table 9-4**), if the technical experience is not addressed through the provision of technical advice and appropriate options (**Table 9-3**). Indeed a failure to provide value in any element of the value generation system can become a key incident that can damage the client consultant relationship. By formalising the experience of a consultant in terms of common themes, the client can be assured that their own business can benefit from shared perceptions and experiences from previous consultancy clients. Consultants can help clients to overcome feelings that other businesses are stable and orderly while their own are chaotic and unique.

Reflections on key incidents from previous assignments and episodes is the main way in which consultants can develop skills and learn to improve their ability to provide value to clients. Where a dissatisfying incident or habit is identified within an assignment then the consultant can attempt to manage the client relationship to ensure that the incident will not be repeated. Where the consultant perceives client dissatisfaction, this presents an opportunity to demonstrate commitment to the relationship and to move it on to a level of trust where dissatisfaction can openly be discussed and overcome. Where the consultant perceives client satisfaction, good practice can be incorporated into the routines and the structure of assignment episodes.

Both the content and the process of mutual feedback between a client and consultant can influence client perceived value. Consultants need to build an efficient means of obtaining client feedback into the structure of an assignment. Much of this feedback can be implicit and informal. However, it is suggested that the sensitive use of structured questionnaires resulting from this research, given in **Tables 9-11, 9-12 and 9-13**, is of great benefit. The questionnaires focus the attention of both parties on client perceived value. It helps both to reflect on issues of importance to the development of an assignment rather than detailed tasks, which may not be particularly relevant to the ultimate value of an assignment, or the long-term commercial relationship between client and consultant. Any helpful incidents that emerge through the dialogue involved in feedback can be given a high profile to justify further use of the approach. The emphasis is on any changed perceptions or repeated lack of change, indicated by arrows in the questionnaires (**Table 9-11 and 9-12**). Notes can be made of issues that emerge as having influenced the client's perceptions. The feedback needs to be managed flexibly, so as not to become an embarrassing meaningless routine. The exercise can be forgone after sessions that are obviously intermediate or emotionally unsuitable for reflective feedback. The consultant has to be genuinely open to negative feedback from the client, otherwise important issues may not emerge. The skill with which a consultant manages a relationship to generate value depends upon an ability to translate a theoretical awareness of relationship dimensions and process value elements into practical incidents of direct relevance to a client.

**Tables (9-11 to 9-13)  
Proposed relationship value survey tools**

**Chapter Nine – CONCLUSIONS AND RECOMMENDATIONS**

CLIENT NAME	CONTRIBUTION TO RELATIONSHIP VALUE												
	REDUCED				UNCHANGED				IMPROVED				
Main contact:	↓				→				↑				
PROCESS STAGE	PROJECT DAY / SESSION DETAILS												
No													
Date													
Contact name													
<b>ASSIGNMENT CONTRACTING</b> Since the initial contracting meeting are your expectations of the value of the project:													
<b>EPISODE CONTRACTING</b> As a result of the consultant’s approach, is your understanding of theory and jargon: Note any relevant changes in the following in either the consultant or client with examples: _____													
STRUCTURE: Flexibility _____	-	-	-	-	-	-	-	-	-	-	-	-	-
(Musgrave et al 1996) Formality _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Openness _____	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TECHNICAL EXPERIENCE</b> As a result of the technical input of the consultant in relation to your specific needs, is the effectiveness of your operating processes: Note any relevant changes in the following in either the consultant or client with examples: _____													
OPERATION: Accuracy of information _____	-	-	-	-	-	-	-	-	-	-	-	-	-
(Musgrave et al 1996) Availability of resources _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Capability _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Ease of operation _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Knowledge _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Responsiveness _____	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PERSONAL EXPERIENCE</b> As a result of your relationship with the consultant, is your personal knowledge: Note any relevant changes in the following in either the consultant or client with examples: _____													
EMOTION: Approval _____	-	-	-	-	-	-	-	-	-	-	-	-	-
(Musgrave et al 1996) Fairness of exchange _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Respect _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Satisfaction _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Trust _____	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PROCESS EXPERIENCE</b> As a result of the attitude, skills and behaviour of the consultant, is the perceived benefit to the organisation of the relationship with the consultant: Note any relevant changes in the following in either the consultant or client with examples: _____													
CONTROL: Authority _____	-	-	-	-	-	-	-	-	-	-	-	-	-
(Musgrave et al 1996) Accountability _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Dexterity (social skills) _____	-	-	-	-	-	-	-	-	-	-	-	-	-
Responsibility _____	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>ACTION OUTCOMES - AESTHETIC</b> Is your perception of the standard of project outputs, i.e. forms & procedures e.t.c.:													
<b>ACTION OUTCOMES - ORGANISATIONAL</b> Is the perception, by other staff members, of the effectiveness with which agreed actions have been communicated, implemented and checked:													

**Table 9-11**  
**Relationship value tool (updated from Appendix 2)**

CLIENT NAME	CONTRIBUTION TO RELATIONSHIP VALUE											
	REDUCED				UNCHANGED				IMPROVED			
Main contact:	↓				→				↑			
ULTIMATE PRIMARY OBJECTIVE As a result of the project, is the ability of the organisation to achieve the primary objectives (registration):												
ULTIMATE COMPETITIVE VALUE In comparison with your expectations at the beginning of the project, is your perception of the consultant:												
ULTIMATE CONTEXT In comparison with your expectations at the beginning of the project, is your perception of the commercial value of the project:												

**Table 9-11 Cont.**  
**Relationship value tool (updated from Appendix 2)**

CLIENT NAME	↓ → ↑ Client / const	REVIEW OF PARTICULARLY RELEVANT (√) CONSULTANCY SKILLS AND VALUE DRIVERS	√ NOTE OF ISSUES AND AGREED ACTIONS
Date			
Contact name			
<p>ASSIGNMENT CONTRACTING</p> <p>Since the initial contracting meeting, are your expectations of the value of the project reduced unchanged or improved?</p> <p>NOTE: This value element is most relevance at the start of an assignment, but should be reviewed after each episode.</p>		<p><b>Discussing client’s goals &amp; expectations</b></p> <p><b>Discussing terms of project or meeting</b></p> <p><b>Negotiating acceptable ways of working</b></p> <p><b>Establishing assignment aims</b> fixed focus on registration or emerging in the context of the client’s business’ strategy.</p> <p><b>Establishing assignment scope</b> multiple sites, products or services.</p> <p><b>Establishing contact points</b> continuity or successive contacts senior management or delegated.</p> <p><b>Establishing the consultant’s role</b> facilitative or managerial role.</p> <p><b>Establishing the client’s role</b> active project manager or reluctant participant.</p>	

**Table 9-12** Page 1 of 4  
**Episode value tool**

CLIENT NAME	↓ → ↑ Client / const	REVIEW OF PARTICULARLY RELEVANT (✓) CONSULTANCY SKILLS AND VALUE DRIVERS	√	NOTE OF ISSUES AND AGREED ACTIONS
Date				
Contact name				
<p><b>EPISODE CONTRACTING</b> As a result of the consultant's approach, is your understanding of theory and jargon reduced, unchanged or improved? Note any relevant changes in the following in either the consultant or client with examples: _____</p> <p>STRUCTURE: Flexibility _____ (Musgrave <i>et al</i> 1996) Formality _____ Openness _____</p>	- - - - - -	<p><b>Confronting problems</b> <b>Providing relevant examples</b> <b>Clarifying jargon</b></p> <p><b>Planning detailed objectives</b> - dictated by the consultant or negotiated with the client. <b>Negotiation of working approach</b> - reviewing expectations and explaining options.</p>		
<p><b>TECHNICAL EXPERIENCE</b> As a result of the technical input of the consultant in relation to your specific needs, is the effectiveness of your operating processes reduced, unchanged or improved? Note any relevant changes in the following in either the consultant or client with examples: _____</p> <p>OPERATION: Accuracy of information _____ (Musgrave <i>et al</i> 1996) Availability of resources _____ Capability _____ Ease of operation _____ Knowledge _____ Responsiveness _____</p>	- - - - - - - - - - - -	<p><b>Providing necessary information</b> <b>Explaining new concepts well</b> <b>Interpreting client's situation correctly</b></p> <p><b>Technical analysis</b> - proposing changes and documenting practice. <b>Technical understanding</b> - a mutual learning process between the client and consultant. <b>Decision making</b> - evaluating and agreeing options.</p>		
<p><b>PERSONAL EXPERIENCE</b> As a result of your relationship with the consultant, is your personal knowledge reduced, unchanged or improved? Note any relevant changes in the following in either the consultant or client with examples: _____</p> <p>EMOTION: Approval _____ (Musgrave <i>et al</i> 1996) Fairness of exchange _____ Respect _____ Satisfaction _____ Trust _____</p>	- - - - - - - - - -	<p><b>Listening to the client</b> <b>Being open to the client's needs</b> <b>Being adaptable in approach</b> <b>Asking appropriate questions</b> <b>Showing understanding</b> <b>Being sensitive to client's position</b></p> <p><b>Personal breakthrough in the development of trust</b> - shared humour and social interaction. <b>Enhancing personal knowledge</b> - establishing client's personal needs and providing support. <b>Respect for client/saving face</b> - sensitivity to the client contact's position in the organisation. <b>Motivating the client</b> - instilling confidence and an emotional sense of urgency. <b>Politics of secondary relationships</b> - balancing the needs of the client contact and the organisation.</p>		

**Table 9-12** Page 2 of 4  
**Episode value tool**

CLIENT NAME	↓ → ↑ Client / const	REVIEW OF PARTICULARLY RELEVANT (√) CONSULTANCY SKILLS AND VALUE DRIVERS	NOTE OF ISSUES AND AGREED ACTIONS																
Date																			
Contact name																			
<p><b>PROCESS EXPERIENCE</b> As a result of the attitude, skills and behaviour of the consultant, is the perceived benefit to the organisation of the relationship with the consultant reduced, unchanged or improved? Note any relevant changes in the following in either the consultant or client with examples: CONTROL: (Musgrave <i>et al</i> 1996)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Authority</td> <td style="width: 50%;">-----</td> <td style="width: 50%;">-</td> <td style="width: 50%;">-</td> </tr> <tr> <td>Accountability</td> <td>-----</td> <td>-</td> <td>-</td> </tr> <tr> <td>Dexterity (social skills)</td> <td>-----</td> <td>-</td> <td>-</td> </tr> <tr> <td>Responsibility</td> <td>-----</td> <td>-</td> <td>-</td> </tr> </table>	Authority	-----	-	-	Accountability	-----	-	-	Dexterity (social skills)	-----	-	-	Responsibility	-----	-	-		<p><b>Reviewing progress</b> <b>Summarising main issues</b> <b>Using time effectively</b> <b>Agreeing appropriate actions</b> <b>Agreeing a realistic workload</b> <b>Encouraging client's ownership of actions</b></p> <p><b>Stimulating client ownership</b> - balancing the need for results with the need for client involvement. <b>Timing and commitment to deadlines</b> – anticipating and reacting to wasted time or delays. <b>Working routines</b> – consciousness of the benefits and constraints of established relationship habits. <b>Process feedback</b> – identification and reaction to both implicit and explicit client feedback. <b>Structuring actions</b> – project management activities to clarify responsibilities and time scales.</p>	√
Authority	-----	-	-																
Accountability	-----	-	-																
Dexterity (social skills)	-----	-	-																
Responsibility	-----	-	-																
<p><b>ACTION OUTCOMES - AESTHETIC</b> Is your perception of the standard of project outputs, i.e. forms &amp; procedures e.t.c. reduced, unchanged or improved?</p>		<p><b>Encouraging experimentation</b> <b>Providing alternative options</b> <b>Helping client to choose solutions</b></p> <p><b>Functional value</b> – adding value through the adaptation and initiation of client process outputs. <b>Presentation for a particular audience</b> – particular perceptions of users or process owners / awareness of changed owners / users <b>Perceived responsibilities for outcomes</b> – allowing the client to take the credit for assignment outputs.</p>																	
<p><b>ACTION OUTCOMES - ORGANISATIONAL</b> Is the perception, by other staff members, of the effectiveness with which agreed actions have been communicated, implemented and checked reduced, unchanged or improved?</p>		<p><b>Adapting to client's capabilities</b> <b>Addressing appropriate staff level</b> <b>Stimulating necessary commitment</b></p> <p><b>Formal activity feedback</b> – review meetings and auditing. <b>Informal activity feedback</b> – consultant's personal involvement in spreading awareness and understanding. <b>Leadership and accountability</b> – direction by senior management via the formal organisational structure.</p>																	

**Table 9-12** Page 3 of 4  
**Episode value tool**

CLIENT NAME	↓ → ↑ Client / const	REVIEW OF PARTICULARLY RELEVANT (√) CONSULTANCY SKILLS AND VALUE DRIVERS	√	NOTE OF ISSUES AND AGREED ACTIONS
Date				
Contact name				
<b>ULTIMATE PRIMARY OBJECTIVE</b> As a result of the project, is the ability of the organisation to achieve the primary objectives (registration) reduced, unchanged or improved?		<b>Achieving goals</b>  <b>Achievement of primary objective</b> – registration. <b>Achievement of sub-objectives</b> – completion of assignment phases or pre-assessment.		
<b>ULTIMATE COMPETITIVE VALUE</b> In comparison with your expectations at the beginning of the project, is your perception of the consultant reduced, unchanged or improved?		<b>Developing client's understanding</b>  <b>Informal assignment feedback</b> – implicit assignment feedback. <b>Formal assignment feedback</b> – use of explicit questionnaires and interviews. <b>External assignment feedback</b> – feedback from assessors and associates of clients.		
<b>ULTIMATE CONTEXT</b> In comparison with your expectations at the beginning of the project, is your perception of the commercial value of the project reduced, unchanged or improved?		<b>Evaluating achievements</b>  <b>Context of original assignment aims</b> – clarity of client's goals and integrity of sales contracting activities. <b>Changed client's strategy</b> – strategic change which alters or invalidates the assignment's value to the client. <b>Variation between clients</b> – particularly favourable or unfavourable issues which relate to a client's individual circumstances.		

**Table 9-12** Page 4 of 4  
**Episode value tool**

<b>PERCEIVED VALUE</b>	<b>REMINDER OF COMMON THEMES FOR ALL VALUE ELEMENTS</b>	<b>EXAMPLES OF SATISFYING AND DISSATISFYING INCIDENTS</b>
ASSIGNMENT CONTRACTING (Criteria for selection and initial contact)	Contact route, sales channel, expectations of associates & funding bodies. Referral, demonstrable experience, evidence of qualifications or previous work. Consultancy registrations.	Positive comparison with competition. Displaying general knowledge Negative comparison with competition. Lack of general knowledge. Lacking in skills or experience required
EPISODE CONTRACTING	Negotiation with key contacts of working philosophy, theoretical basis for the project. Variable among different contacts for aspects of the project.	Good at explaining approach.. Too theoretical in approach. Using complex confusing jargon
TECHNICAL EXPERIENCE (Initial contact and gaining new insights)	Realisation of theory through practical options.	Judged assessor requirements correctly Interpreted standard well. Focused on what is done in practice. Interpreted standard incorrectly. Failed to focus on actual practice. Off the shelf approach. ISO 9000 dictating practice. Confused between work instructions & procedures. Procedures too general
PERSONAL EXPERIENCE (Problem clarification)	Humour, friendly personal conversation, to bring about emotional trust. A breakthrough achieved after a number of meetings. Client buys into the relationship.	Stimulated personal learning. Became a caring friend Demonstrated personal commitment. Sensitive to client's role & commitments. On same wavelength Encouraging & motivating . Unable to develop beyond initial explanation. Didn't stimulate learning. Insensitive to client's role. Lack of empathy & people skills
PROCESS EXPERIENCE (Gaining new insights and action strategy)	Reducing the project to a set of process responsibilities. Allocating individuals with appropriate accountability and responsibility to project tasks. Facilitation through negotiation to achieve client ownership of technical decisions.	Hands on approach. Keeping client informed. Open to questioning Not hands on. Not keeping client informed. Defensive & closed minded. Gave standard treatment. Bad time keeping. Lack of commercial awareness. Lack of tangible output. Blinkered & dictatorial. Didn't encourage ownership
ACTION OUTCOMES - AESTHETIC (Gaining new insights)	Clients perception of responsibility for the project outputs. Respect for client and saving face signified through client input.	Helpful forms and procedures. Efficient, concise use of paperwork. Good quality manual. Well written documents. Inappropriate forms and procedures. Too much paperwork. Bad quality manual. Errors & duplication.
ACTION OUTCOMES – ORGANISATIONAL (Action strategies)	Using the formal organisational structure to spread relationship value without having the luxury of 'episode contracting'. Critical to implementation phase.	Stimulated morale. Benefits of trial assessments. Effective, self checking auditing. Training & bringing in others. Seeing implementation. Revelation of how it fits together. Lack of morale. Failure revealed in trial assessments. Gaps found at auditing. Couldn't get management buy in.
ULTIMATE PRIMARY OBJECTIVE (Termination)	The timing of su- objectives and achievement of project stage objectives. Consideration to any delays and project management techniques. Particular consideration of the transition between documentation and implementation.	Didn't achieve registration
ULTIMATE COMPETITIVE VALUE (Termination)	Iterative comparison with expectations. The need to reduce aims to realistic and verifiable outputs. Influenced by feedback from other businesses and assessors.	Favourable feedback from assessors. Stimulated effective improvements. Provided good value within time. Unfavourable feedback from assessors. Produced no real improvements. Stretched the time of the project. 'Ripped off' client. Breached confidentiality. Not independent of assessors.
ULTIMATE CONTEXT (Termination)	Of particular relevance for projects which have not resulted in registration. Can any of the project costs be justified in terms of value created in such circumstances. Reveals three ultimate categories of failure. Revised value of objective, consultant or the commercial context.	Obtained commercial benefits from registration. In house approach preferred. No commercial benefits of registration

**Table 9-13**

**Guide to survey tools**

## **Avenues for further research**

Several avenues for further research are proposed, to build upon the findings of this thesis. The generalisability of the value generation system should be tested for different professional services with varied client types. Particular emphasis should be placed on the development of monitoring techniques that can be practically applied without hindering clients. It is proposed that a combination of the assignment questionnaire, **Table 9-11** and the more detailed, episode questionnaire, **Table 9-12** are used within an assignment. **Table 9-13** provides a working reference document to link the questionnaires to the themes and incidents that were identified. Whereas the questionnaires are designed to be generalisable, the guidance is focussed on the context of this research, that is ISO 9000 consultancy. However, on balance the practical examples provided in **Table 9-13**, are considered to be generally helpful to consultants and researchers. It is proposed that the guide and indeed questionnaires will need to be adapted in the light of new experiences and application to different professional services. The emphasis on changes in client's perceptions of value, inherent in the structures of the questionnaires, allows both parties to focus on relevant issues in a dynamic manner, in contrast to having to address a series of subjective weightings and abstract judgements that cannot easily be related to practical issues.

An analysis of the skills associated with a facilitative style indicated that, other than the skill encouraging experimentation, there were no obvious associations between consultancy style and particular skills. A quantitative analysis aimed at distinguishing consultants who apply a relationship approach from those who apply a transactional approach may prove to be a useful development of this thesis. It is suggested that the groupings in **Tables 9-1 to 9-10** provide a suitable structure through which to develop a research method for this purpose. Skills grouped under the category of gaining new insights were displayed less frequently than others. This indicates that gaining new insights represents an opportunity for many consultants to improve the value of the service they provide to clients. There is scope for further research to explore the degree to which a relationship approach to consultancy could help consultants to improve their ability to gain new insights. It is proposed that such research would have to be supported by detailed case studies to demonstrate the applicability and value of any findings.

It is suggested that case studies provide a fruitful means of exploring the generation of value in non-consultancy relationships. However, a replication of the key incident survey could also provide valuable data to support the application of the value generation system to other professional services. The value system may have to be restructured for application outside professional services. For example, to address the relationship between a component supplier and manufacturer, where some of the value elements would be expected to have less significance.

# APPENDICES

## Appendix 1

### ISO 9000 QUALITY CONSULTANCY SURVEY

For the attention of the Quality Manager /  
ISO 9000 Management Representative,

25th October 1997

#### ISO 9000 QUALITY CONSULTANCY SURVEY

Dear Sir / Madam,

I am a part time Ph. D. student carrying out research into the way in which commercial relationships between consultants and their clients develop through the course of a project. The aim is not to address, directly, the pros and cons of ISO 9000, rather, to identify the activities and skills which are of most value to clients at particular project stages. I have extensive, personal, experience of working as a consultant to draw upon in the course of this research.

This survey is aimed at people who have had personal experience of using a consultant to assist in the implementation of an ISO 9000 quality management system.

If the survey is relevant to your experiences, I would be very grateful if you would complete the enclosed questionnaire and return it by fax, or by post to the above address, using the pre-paid address label provided. If the survey is not directly relevant to you, any comments you may wish to make, based on your general experience of these issues, would still be useful.

Any information you provide will be treated in the strictest commercial confidence. You are not asked to provide details of consultants used and you will not be contacted in a commercial or sales capacity. The information requested is for use in my Ph.D. research with The University of Birmingham.

Please contact me (Tel: 0181 789 3014) if you have any questions about the content or purpose of this survey. Thank you, in anticipation of your response.

Yours sincerely,

Ray Murphy

## APPENDICES

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In the following survey, I have been reluctant to pre-empt your responses through the over use of tick boxes, which may frustrate you when not addressing your particular experiences. I have never been happy with questionnaires I have been asked to complete, so please respond as you see fit, adding notes if you wish, without feeling obliged to spend any more time than you can spare.

RESPONDENT: Name: \_\_\_\_\_ Position:  
\_\_\_\_\_

COMPANY: Name: \_\_\_\_\_ Industry type:  
\_\_\_\_\_

Approximate number of employees in ISO 9000 registered organisation:  
\_\_\_\_\_

Were you directly involved in an ISO 9000 implementation consultancy project? Yes  No

Please outline your personal role in the ISO 9000 consultancy project, e.g. you may have been the main contact or colleagues may have been involved.

Please provide approximate details of the total number of consultancy sessions ( i.e days, or part day sessions), where you were directly involved in the project.

Please provide approximate details of the total number of consultancy sessions ( i.e days, or part day sessions), involved in the project.

Please indicate the approximate time scale of the project (i.e. the start and finish dates). Please clarify any period where you were not involved.

Which of the following best describes the way the consultant(s) worked with you?

- The consultant usually acted as:
- A) an expert, telling you what to do;
  - B) a facilitator, helping you to make decisions;
  - C) a specialist employee, working to your instructions.

ANY OTHER COMMENTS:

**APPENDICES**

PROJECT STAGES	In this column, please, tick if you consider it particularly important for a consultant to have this skill	At how many sessions was this skill displayed by the consultant(s) (tick)			
		Never	At some sessions	At most sessions	At all sessions
<b>Consulting relationship skills</b>					
<b>INITIAL CONTACT</b>					
Discussing your goals & expectations					
Discussing terms of project or meeting					
Negotiating acceptable way of working					
<b>PROBLEM CLARIFICATION</b>					
Listening to you					
Being open to your needs					
Being adaptable in approach					
Asking appropriate questions					
Showing understanding					
Being sensitive to your position					
Reviewing progress					
Summarising main issues					
Using time effectively					
<b>GAINING NEW INSIGHTS</b>					
Providing necessary information					
Explaining new concepts well					
Interpreting your situation correctly					
Confronting problems					
Providing relevant examples					
Clarifying jargon					
Encouraging experimentation					
Providing alternative options					
Helping you to choose solutions					
<b>ACTION STRATEGIES</b>					
Adapting to your capabilities					
Addressing appropriate staff level					
Stimulating necessary commitment					
Agreeing appropriate actions					
Agreeing a realistic workload					
Encouraging your ownership of actions					
<b>TERMINATION</b>					
Achieving goals					
Developing your understanding					
Evaluating achievements					

## APPENDICES

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The aim of the following two sections is to identify any incidents which may be critical to the success of consultancy projects. It is understood that you would probably have felt pleased on the day of registration, however, your reflections on particular events, other than this, would be useful. Please feel free to submit your response on a separate sheet if you wish.

Please think of a time when you felt very pleased and satisfied with the service provided by a quality consultant. Describe, in a few sentences, the relevant stage of the project and why you felt so satisfied.

STAGE:

SATISFACTION:

Please think of a time when you were unhappy and dissatisfied with the service provided by a quality consultant. Describe, in a few sentences, the relevant stage of the project and why you felt so dissatisfied.

STAGE:

DISSATISFACTION:

It may be useful to group responses in accordance with answers to the following information. If you prefer not to answer a question, your response to the remainder of the survey would still be appreciated.

RESPONDENT: Age: \_\_\_\_\_ Sex: \_\_\_\_\_ Highest qualification gained:

\_\_\_\_\_

Would you be prepared to take part in a short follow up interview? Yes  No

**PLEASE RETURN TO:** Professor J Tann, The University of Birmingham, Business School (Pre-paid label provided) Department of Commerce, Edgbaston, Birmingham B15 2TT.  
Or reply to Professor J Tann by FAX on: (0121) 414 6707

## Appendix 2

### Consultancy Assignment Feedback Questionnaire

CLIENT NAME	CONTRIBUTION TO RELATIONSHIP VALUE		
	REDUCED	UNCHANGED	IMPROVED
Main contact:	(R)	(U)	(I)

PROCESS STAGE	PROJECT DAY / SESSION DETAILS												
No													
Date													
Contact name													
ASSIGNMENT CONTRACTING As a result of the initial contracting meeting were expectations of the value of the project													
EPISODE CONTRACTING As a result of the consultant's approach, is your understanding of theory and jargon													
TECHNICAL EXPERIENCE As a result of the technical input of the consultant in relation to your specific needs, is the effectiveness of your operating processes													
PERSONAL EXPERIENCE As a result of your relationship with the consultant, is your personal knowledge													
PROCESS EXPERIENCE As a result of the attitude, skills and behaviour of the consultant, is the perceived benefit to the organisation of the relationship with the consultant													
ACTION OUTCOMES - AESTHETIC Is your perception of the standard of project outputs, i.e. forms & procedures e.t.c.													
ACTION OUTCOMES - ORGANISATIONAL Is the perception, by other staff members, of the way in which agreed actions have been communicated, implemented and checked													
ULTIMATE PRIMARY OBJECTIVE As a result of the project, was the ability of the organisation to achieve the primary objectives (registration)													
ULTIMATE COMPETITIVE VALUE In comparison with your expectations at the beginning of the project, is your perception of the consultant													
ULTIMATE CONTEXT In comparison with your expectations at the beginning of the project, is your perception of the commercial value of the project													



## Appendix 4

### CASE STUDY ANALYSIS

#### Introduction

The following analysis addresses client perceived value drivers from the consultant's perspective. The case studies include explicit client feedback where available. In order to make generalisations between organisations and different client contacts over time, frequently experienced events are contrasted with infrequently experienced events. The findings are based on the case studies and could only be generalised to other consultants and professional services with caution. However, it is suggested that the value drivers, within which contrasting pairs of events are grouped, have generalisability. The skills and experiences of a practitioner consultant are applied in identifying a balance, appropriate to the dynamics of a particular situation, influenced by an awareness of likely events. Resulting dialogue and interaction with the client can then facilitate the generation of client perceived value with respect to the assignment expectations. While the value generation system that emerges from this analysis (**Figure 8-1**) is considered to be comprehensive and generalisable, the supporting value drivers and related events, are obviously based on the ISO 9000 case studies and can therefore be seen as a working guide in this context. Value drivers may have to be adapted to suit other types of consultancy or professional service. They focus specifically on conceptual evidence, which was judged to influence the value of assignments to clients. Analysis of the case study evidence is structured and presented in **Tables A4-1 to A4-10** as follows:

- First, the evidence is categorised into the elements of the model of client perceived value from **Chapter 6**.
- Secondly, case study themes are sub-grouped in accordance with areas of client perceived value that emerged from the analysis of cases. These activities have been identified as value drivers.
- Thirdly, the case study evidence has been summarised, conceptually, through contrasting pairs of events differentiated through the frequency of occurrence within the cases studied.

The discussion of value drivers and tabular analysis below (**Tables A4-1 to A4-10**) make reference to relevant cases from **Chapter Seven (Tables 7-1 & 7-2)**. References are given to assignments where the infrequently occurring event occurred at some stage of the assignment. Events should not be used to label an entire assignment because some of the larger assignments, particularly that for **Client C**, involved both contrasting events at different stages and with different contacts. The

use of contrasting pairs of events is a simplification of the reality of case study experiences. The purpose of the events is to indicate the scope and range to which the identified value generators have been observed to apply. They thus represent the range in expectation of the consultant, based on case study experience. The same events are repeated with changed emphasis with regard to their influence on different process value elements. The elements of the analysis create a supporting structure within which to ground the proposed value drivers to the evidence of the cases, linked to the proposed model of client perceived value (**Figure 6-1**). It is important to note that the given events are based on observed case study evidence and do not indicate any judgement of best practice. Because an event was observed more frequently this does not indicate any favourability compared to less frequent events.

## **Dynamics of assignment events**

### **ASSIGNMENT CONTRACTING EVENTS (See Table A4-1)**

#### **Establishing assignment aims**

The assignment aims and associated expectations were important in setting parameters within which value could be generated. Typically the client had a clear commercial need for obtaining registration. While any added value through process improvements was appreciated, the value of the project was generally heavily weighted in favour of this primary aim. Exceptions were smaller businesses that viewed a consultancy project as an opportunity to improve the professional administration of their businesses. Some of these companies were unclear about the aims of the assignments or the cost benefit trade-off in proceeding to registration. Larger companies were likely to diverge from the primary aim in order to address specific product or process issues that emerged as being important during the assignments. For example, customer requirements for **Client F** and a new production facility for **Client E**. In these two cases the consultant's value was, in part, experienced as an alternative to employing managers to address these issues. For **Client F**, extra days were provided to address work outside the initial aims of the assignment, whereas for **Client E** the extra work reduced the amount of time devoted to the primary aim and possibly detracted from the achievement of registration in that case.

### **Establishing assignment scope**

The effect of the assignment scope on client perceived value involves a breakdown of aims into a working plan with regard to sites, processes and products or services provided by the client. It was sometimes necessary to review assignment aims after an analysis of the detailed scope of the intended work. This was particularly the case for larger multiple-site organisations. The case for **Client 9** was unique in that, from the outset, the scope of the assignment was limited to the distribution department within a larger service organisation.

### **Establishing contact points**

The value provided to an organisation was highly dependent upon the relationship between the consultant and key contacts. The typical experience within the cases was for a single contact to take on a project management role. This individual was sometimes a senior manager and sometimes a middle manager with active support from senior managers and the involvement of process owners when required. However, there was some significant exceptions involving contacts who did not have the necessary authority to implement the system, on one hand, and dictatorial contacts who did not involve process owners on the other. Some assignments involved a succession of primary contacts, which obviously influenced the value of the assignment due to time taken up with re-establishing relationships and repeatedly going over old ground or making changes required by the new contact (**C, D**).

### **Establishing the consultant's role**

The consultant aimed to have a facilitative role, in keeping with his preferred orientation or style. However, other roles sometimes had to be adopted to fulfil the needs of clients at different stages of assignments. Thus, the consultant's intended orientation or style could at times be in tension with the role adopted. Expectations of the role to be played by the consultant were an important part of the initial contacting activities of the assignments. The qualifications and experience of the consultant were perceived to be important. It was repeatedly observed that initial expectations could be significantly raised when a client contact, who had been expecting a prescriptive rigid approach, was offered a flexible facilitative approach to the assignment (particularly the assignment for **Client A**). The most common variation to the preferred style of the consultant was the need to write documents in a hands-on manner and take on a directive managerial role at times. Without this flexibility it is doubtful whether some of the assignments could have been completed. At times the role of the consultant was explicitly challenged either through requiring proof of qualifications at contracting or from external contacts of clients who had experience of consultancy. It was considered to be important to meet these challenges in a positive way.

### **Establishing the client's role**

The role of the main client contact was highly important to the success of the client consultant relationship within assignments. Generally client contacts had the authority and inclination to act as project managers for an assignment. It was common for client contacts to have difficulty in writing procedures and carrying out internal auditing. However, they were generally comfortable with administration and communication activities. The categorisation of different client contact roles cannot easily be generalised. The experience of the case study firms was that clients' roles varied on a continuum between highly secure dynamic owner managers (**A, E**) to insecure contacts peripheral to the organisation, who relied heavily on the consultant's input to achieve any organisational changes (**B, D, 6**). One important constraint on assignment value with regard to the role of the client was the extent to which the client contact had conflicting priorities. Obviously where the client contact was regularly distracted from working with the consultant in order to address other issues, less could be achieved during an assignment episode. The consultant tried to be proactive to make up for such delays. However, there was often a limit to what could usefully be achieved without the involvement of an internal contact.

<b>FREQUENT CASE STUDY EVENTS</b>	<b>LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 &amp; 7-2)</b>
<b>Establishing assignment aims</b> The aims of the assignment were clear.	The aims emerged or changed as the assignment developed. <b>(4, 14)</b>
The client had a clear commercial requirement for the assignment.	The assignment appeared to have been over sold and not suitable for the client <b>(14)</b>
The three phases, documentation, audit, implementation and pre-assessment were relevant.	The phases were complicated by the need for technical work instructions, to address organisational changes or assignment delays. <b>(C, B, D, 1, 5)</b>
The cost of registration was affordable to the client.	The cost of registration was a barrier to assessment. <b>(2, 5)</b>
Aims were limited to registration.	Ambitious secondary shared goals were negotiated between the client and consultant. <b>(E, F)</b>
<b>Establishing assignment scope</b> The scope of the quality system was generally easy to identify at the start of the assignment.	New products or processes could require a change to the scope of the system as the assignment developed. <b>(C, D, E)</b>
The client organisation was based on one site.	Multiple sites were involved. <b>(C, D)</b>
All products and services were included.	Some products or services were excluded from the scope. <b>(9)</b>
<b>Establishing contact points</b> Single key client contact throughout the assignment.	Successive key contacts as assignment developed or entered different stages. <b>(C, D, 1, 5)</b>
Secondary relationships were developed with process owners.	Key contact dominated and dictated to other organisation members. <b>(E, 10, 16)</b>
Senior managers were actively involved.	Responsibility was delegated with little senior management involvement. <b>(B, D, 5, 6)</b>

**Table A4-1****Dynamics of assignment contracting**

<b>FREQUENT CASE STUDY EVENTS</b>	<b>LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 &amp; 7-2)</b>
<b>Establishing the consultant’s role</b> The consultant applied a hands-off, facilitative role, together with training support.	The consultant dictated documents, wrote material off site or helped directly with management. <b>(C, F, 2, 9, 13, 14)</b>
The experience and competence of the consultant were taken for granted as a result of an association, or referral.	The client required assurance of the consultant’s track record, experience or qualifications. <b>(C, E, 9)</b>
The role of the consultant involved translating ISO 9000 jargon into appropriate language for a client’s business.	Client feedback associated the need to understand ISO 9000 jargon with the assessment in particular. <b>(A)</b>
The consultant’s credibility was established early on.	The consultant had to defend the approach taken against external feedback from associates of the client. <b>(A, 16)</b>
The consultant confined activities to the span of the assignment leaving the client in control.	The consultant became the only link between assignment phases when client contacts moved on. <b>(D, 1, 5)</b>
The clients’ expectations were of a rigid prescriptive approach and were substantially raised when a flexible approach was offered.	The client had the experience to expect a flexible, client focussed approach. <b>(F)</b>
<b>Establishing the client’s role</b> The client arranged meetings between the consultant and staff members.	The consultant had to be proactive and self manage meetings and appointments. <b>(C, F)</b>
The client had an individual who was accountable for the assignment.	Responsibility, accountability and authority were vague. <b>(C, D, F, 3)</b>
The client had not previously experienced this type of consultancy and had open expectations about their role.	The client had previously undergone a failed consultancy assignment and had low expectations prior to contracting. <b>(A, E, 16)</b>
The client contact was fully involved in the organisation.	The client contact was peripheral or a contractor. <b>(B, D, 6)</b>
Client contact generally took on a project management role for the assignment.	Some contacts were personally dependent on the consultant to manage the assignment. <b>(C, D, F, 2, 9, 14)</b>
The client contact had the necessary authority and knowledge to manage the assignment.	The client contact was dependent on support from senior managers and the consultant. <b>(C, B, D, 1, 5, 6, 8)</b>
The client had the resources to complete the assignment.	The assignment conflicted with other activities valued by the client. <b>(4, 13, 14)</b>

**Table A4-1 Cont.**  
**Dynamics of assignment contracting**

## **EPISODE CONTRACTING EVENTS (See Table A4-2)**

### **Planning detailed objectives**

The planning of detailed objectives relates to the need to identify work tasks and objectives at the start of each assignment episode. These tasks made up the detailed work to fulfil the assignment scope and aims identified at the contracting stage of an assignment. The structuring of detailed planned objectives at each episode and between episodes gave credibility to promises and expectations relating to the assignment contracting stage. The prioritisation and timing of activities was important. The timing had to take into account factors such as the availability of process staff and, on occasion, the feelings of the consultant and client. For example, intense detailed sessions were inappropriate if both were tired at the end of a day. The timing of activities with regard to objectives involved achieving a balance between social and strategic conversations with less interesting but necessary administrative concerns. Clients had to be comfortable with objectives. Alternatives were offered where possible to achieve client buy in. This was important because, typically, the client was set tasks to carry out between sessions and any resistance or lack of understanding would increase the likelihood that the task would not be carried out on time. Senior managers were generally concerned with the timing of the assignment rather than detailed objectives. The exceptions were organisations for which the main contacts were senior managers who were actively involved in attempting to improve processes (**A, E, 10, 16**). Objectives were set so that particular concerns or problems experienced by the client contacts could be addressed at the same time as general progress was made towards the assignment goals. For example sorting out the stock control and traceability in the stores for **Client 6**, where the client contact had this responsibility. Another example was the emphasis on marketing in the first phase of the assignment for **Client D** where the contact was a marketing manager.

### **Negotiation of working approach**

The negotiation of working approach involved the consultant listening to the client contact to identify opportunities to set objectives which would meet specific requirements. The value of this activity can be viewed as linking detailed client requirements to specific objectives at the same time as guiding the client between sessions towards the aims and objectives of the whole assignment. A rigid approach to the assignment structure, which is not adapted to individual requirements, can cause assignment failure or the breakdown of a relationship. The negotiation of approach also involved a link between proposed methodologies and policies and the technical content of the assignment. For example, the balance between the standardisation of procedures and flexibility to address non-standard events and processes. Expectations had to be reviewed and re-negotiated where necessary. Most clients were sceptical about the ability to address real problems through a

documented quality system (C, F, 13), whereas some clients in contrast had unrealistically high expectations of the assignment (12).

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. cases – Tables 7-1 & 7-2)
<b>Planning detailed objectives</b> The expectations of both the key contact and senior management were explained to the consultant.	The assignment was addressed at a low organisational level with insufficient input from senior management. (B, D, F, 6)
Documentation and agreed outputs were generated at each episode.	Agreed tasks were delayed, leading to rework and confusion. (6, 16)
Options were offered to stimulate client involvement and ownership, sometimes at the expense of the consultant's preferred choice.	The client wanted to be led by the consultant's preferred choice. (F, 2, 9, 13)
Senior managers input was limited to the time-table for registration.	Senior managers were actively involved, sometimes as the key contact, and aimed to achieve process improvements through the assignment. (A, E, 10, 16)
Consultancy visits were planned in advance or timed to stimulate and motivate the client to make progress.	Visits were arranged only when the planned work had been completed, regardless of the delay. (B)
The client often had general aims to improve processes and communication.	Some clients had specific objectives such as scrap reduction or procedures to satisfy their customer's requirements. (C, F)
Consultancy sessions offered some clients time to think strategically about the business, away from daily fire fighting.	Consultancy sessions distracted some client contacts from apparently urgent activities. (E, F, 14)
Shared ambitions and ideals, built at early stages of the assignment, helped to build credibility when the assignment was reduced to more mundane documentation activities to satisfy assessment requirements.	The only ambition of some clients was to achieve registration. (9)
Most clients expressed a desire for business improvements to result from the assignment.	Business objectives were sometimes confined to the benefits of registration. (D, 9)

**Table A4-2**

**Dynamics of episode contracting**

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. cases – Tables 7-1 & 7-2)
<p><b>Negotiation of working approach</b> Contract expectations were reviewed, clarified and re-negotiated at a working level based on the number of days and project timetable.</p>	<p>Some clients had an open flexible approach to the use of the consultant based on the availability of client contact support resources. <b>(C, F)</b></p>
<p>Listening to technical and assignment related needs, expectations and perceptions were viewed as the core activity of the consultancy process, from which understanding and agreed actions developed. Misunderstandings were expected when both the client and consultant were exposed to new terminology and jargon.</p>	<p>Observation of other consultants in mini case work shops repeatedly demonstrated that clients stopped asking questions when they did not receive a precise response to their concerns. They could have been intimidated by the consultant, simply switched off, or allowed the consultant to save face. <b>(2, 3, 7, 14, 16)</b></p>
<p>Clients had difficulty in relating process variation and special incidents to the concept of a standardised approach.</p>	<p>Some clients viewed the standard as a guidance document, which did not have to be applied literally. <b>(A)</b></p>
<p>Most clients had difficulty in envisaging the consulting process prior to the assignment .</p>	<p>Some clients had experience of consultancy. <b>(A, E, F, 16)</b></p>
<p>Most clients initially expressed a negative or cynical perception of ISO 9000.</p>	<p>Some clients had unrealistic expectations of the benefits of ISO 9000. <b>(A, 4, 12)</b></p>

**Table A4-2** Cont.  
**Dynamics of episode contracting**

## **TECHNICAL EXPERIENCE EVENTS (See Table A4-3)**

### **Technical analysis**

The technical analysis involved in the case studies is specific to ISO 9000 consultancy and so could be expected to be the least generalisable of the identified value drivers. Analysis was, typically, geared towards the documentation of existing processes. Most clients were used to approaching procedures in order to document desirable or best practices, not necessarily those practices that can be realistically and consistently applied in a manner which can stand up to third party assessment. This approach can be viewed as the identification of a core process of documented control points or a lowest common denominator in terms of desirable process requirements. If the client was genuinely committed to ambitious process improvements then the consultant attempted to build this into the analysis and subsequent procedures, often in the knowledge that the procedures might have to be simplified at a later stage. The consultant observed a tendency for both himself and the client to be over-ambitious in designing processes, only to have to dampen ambitions later when faced with the complex realities and lack of resources, which emerged at auditing. The challenge for the consultant was to balance the tension between the immediate value of impressive plans and the anticipated ultimate value of less ambitious, auditable processes. A practical point concerned the role of the consultant in writing procedures. Regardless of whether the detailed procedure writing was carried out by the consultant or client, it was of value for the consultant to plan the scope and structure of the procedure, the details then tended to flow from the structure.

### **Technical understanding**

Most of the events relating to technical understanding can be viewed as specific to ISO 9000 consultancy. However, some issues emerged which are likely to have generalisability to other professional service relationships. While the technical analysis was typically consultant driven, the subsequent degree of understanding attained by the client was dependent upon the commitment and capability of the client contact. Some clients wanted to be told what to do and then move on to something else. Others enjoyed the dialogue involved in discussing options. This latter category of client was given the freedom, by the consultant, to learn from mistakes in order to develop ownership and a fuller understanding of their quality system. Not surprisingly, clients were more inclined to engage in dialogue about procedures for their core processes rather than those required to administer the quality system. The consultant used positive experiences in improving processes to encourage a more general dialogue about the best way to develop a quality system. The extent to which technical understanding was spread across the client organisation beyond the main contact was largely dependent on the client's approach to training. General understanding was achieved through workshops and auditing activities in all

cases to a greater or lesser extent. The consultant contributed to both these activities. In addition the process interviews and discussions involved in the technical analysis were opportunities to improve the understanding of process owners and secondary contacts. While the focus of this thesis is on client perceived value, technical understanding was experienced as a joint undertaking by the client contacts and the consultant. While the consultant repeatedly applied experiences of common structures and methodologies within cases, a high degree of openness to mutual learning was aimed for. Thus both the client and consultant took part in a joint exercise of learning from mistakes.

### **Decision making**

Decision making was generally valued by clients through the outcomes of decisions made rather than the process of analysis and evaluation of options. However, the strength of the client consultant relationship and amount of discussion that went into decision making influenced the client's retrospective judgement about the balance of responsibility for decisions between the client and consultant. For example the consultant felt responsible for complicating the purchasing procedure for **Client B**, whereas **Client A's** contacts expressed satisfaction that the consultant's facilitative approach had allowed them to learn from mistakes as a result of their own choices. An important complicating factor in the value of decision making is the need to satisfy conflicting values within the client organisation. The consultant was at times placed in a position of having to take sides or reach a compromise between conflicting views, for example **Client C's** quality report design. A delicate balance had to be struck between the benefit to the organisation and the benefit to an individual who had to work with the consequences of the decision made.

<b>FREQUENT CASE STUDY EVENTS</b>	<b>LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 &amp; 7-2)</b>
<b>Technical analysis</b> Client input typically involved a description of existing procedures and a discussion of potential improvements.	Some procedures required specific technical input based on the development of test methods or the interpretation of client requirements. <b>(C, E, F, 3, 16)</b>
Clients' businesses typically lent themselves to the identification of core processes, which were subject to standardised controls.	Some activities were particularly variable and could be controlled only through a general consideration of planning, inputs and outputs. <b>(B, A, 4, 7, 14)</b>
The consultant generally focussed on the identification of processes followed by the format and structure of procedures.	The consultant sometimes carried out a comprehensive analysis of a procedure and fully documented the details. <b>(C, E, F, 2, 3, 9, 13, 16)</b>
The consultant simplified procedures, testing assumptions about whether the requirements related to practice.	Some clients took simplification too far and failed to provide meaningful detail that could be audited. <b>(F, 4)</b>

**Table A4-3**  
**Dynamics of technical experience**

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Technical understanding</b> The client was given some freedom to experiment and learn as the assignment progressed.</p>	<p>Where a directive approach was taken for short term gain, the client was less likely to develop understanding and ownership. (F, 2, 9, 13)</p>
<p>Tension was common between a client’s view of an ideal system and processes that could practically be implemented and subjected to audit. A common experience was for clients to assume that other organisations were better organised. Faced with client objectives that appeared to be impractical, the consultant attempted to re-shape activities to towards verifiable outcomes.</p>	<p>Some clients had no ambition and were content to document existing processes with minimal clarification or improvement. (7, 9, 13)</p>
<p>Detailed ISO 9000 training was generally confined to the key client contact.</p>	<p>Some clients formalised training for other organisational members, particularly audit training. (A, D)</p>
<p>Clients tended to be more comfortable doing what they said they did after gaining an understanding of auditing</p>	<p>Some clients expressed a desire for guidance documentation to outline best practice, which would not be subject to audit. The evidence of the cases was that auditable procedures could change actions, whereas people did not have time to voluntarily adopt best practice without management control. (A, B, E, 4)</p>
<p>Through identifying and prioritising practical control points, suited to documentation and audit, clients developed a tolerance for uncertainty and variation in peripheral areas.</p>	<p>Some clients were initially inclined to apply excessive documented controls in the belief that writing procedures would have a direct affect on processes. (A, 1, 7)</p>
<p>Clients, who were used to documents for guidance on best practice, or instructions produced in response to a specific incidents, had difficulty with the requirement to make procedures verifiable. Procedures need to generate auditable evidence of important actions.</p>	<p>A balance between guidance and verifiability sometimes had to be struck to make procedures useful and readable. This sometimes involved the use of phrases such as ‘where applicable, and where appropriate’ within procedures. (A, B, C, 1, 7, 14)</p>
<p>The consultant was able to discuss proposed processes with reference to actual incidents, which emerged in the course of an assignment.</p>	<p>Some processes were felt to be required for registration purposes, despite having only minor or theoretical relevance to the client. (D, F, 9, 13, 14)</p>

**Table A4-3** Cont.  
**Dynamics of technical experience**

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Decision making</b> Clients had difficulty in effectively linking documentation to actions, i.e. avoiding paperwork exercises.</p>	<p>Some activities were particularly suited to documented controls, check lists and review signatures. (C, E, 8, 15, 16)</p>
<p>Clients could generally identify suitable job titles for identifying responsibilities in procedures.</p>	<p>Some clients attempted to apply personal names or create multiple formal roles for individuals. (A, 3, 11)</p>
<p>Cases generally involved a single consultant with the exception of the workshop based mini cases. A single contact can reduce the exposure of clients to differing yet valid opinions and experiences.</p>	<p>Conflicting advice given by different consultants at workshops could be unfavourable to a consultant’s credibility, or could educate the client in alternative approaches, depending on the issue. (3)</p>
<p>Clients generally appreciated being offered different options by the consultant.</p>	<p>Options increased the likelihood of client confusion, selection of a second best option or re-inventing the wheel. (A, E, 12)</p>

**Table A4-3** Cont.  
**Dynamics of technical experience**

## **PERSONAL EXPERIENCE EVENTS (See Table A4-4)**

### **Personal breakthrough in the development of trust**

The personal experience of a client related to the amount of goodwill generated with the consultant through friendly interaction that deepened mutual understanding at a personal level. This understanding was found to be of value when errors, misunderstandings or stressful situations arose during an assignment. One aspect of this was categorised as a personal breakthrough in the development of the relationship between the client contact and consultant. Where this breakthrough was identified in the cases studied it was interpreted as an indicator of trust in the consultant by the client contact. Trust could not simply be viewed with respect to the competence of the consultant to fulfil assignment expectations. It was observed to have a social element that was associated with the ease with which the two parties could communicate effectively.

### **Enhancing personal knowledge**

The value of an assignment was observed to be dependent upon the degree to which the consultant could help to enhance the personal knowledge of relevant client contacts. A client contact who was keen to learn and apply understanding could accelerate the value of an assignment. However, mental blocks, differing viewpoints or conflicting priorities could inhibit the consultant's ability to achieve value through improving the knowledge of the client contact. Negotiation and debate within a mutually stimulating dialogue was observed to be the most rewarding way to test and improve the knowledge of both the consultant and client contact.

### **Respect for client and saving face**

The importance of maintaining the client's self esteem was identified. This involved allowing the client contact to save face in front of colleagues, where necessary, or to take credit for work initiated by the consultant. This was observed to relate to a fundamental power imbalance in the client consultant relationship. The nature of consultancy involves a client asking for help, thus exposing vulnerability. At the same time both the client and consultant are concerned that the client should achieve control of the assignment and its outputs. To achieve this the consultant down-played the consultancy input and emphasised the work carried out by the client contacts. The consultant was aware that excessive criticism or a negative response to work carried out by the client would be demotivating and put the achievement of the overall assignment aims at risk.

### **Motivating the client**

In the context of the ISO 9000 assignments studied, motivation was most obviously relevant at the pre-assessment phases of cases. Fear of assessment failure, was used by the consultant to generate a sense of urgency. In some of the cases studied clients were encouraged through a desire not to be out-done and to compete with associated businesses that had achieved registration. While these instances stand out, each episode required an element of motivation. Client contacts had other demands on their time and needed support to be motivated towards addressing assignment tasks or problems experienced with tasks from previous episodes.

### **Politics of secondary relationships**

The politics of the assignments studied involved a tension between providing value to an individual client contact and to other individuals within the client organisation who had conflicting priorities. This tension was the exception rather than the norm within the cases studied. **Client F** exemplified the issue with regard to tension between the need to provide value to the director, production manager and production supervisor. All three had input into the assignment at times. However, none of them ever really accepted responsibility for the assignment. The consultant had to accept personal responsibility for activities or get informal agreement from the supervisor or manager to carry out an action, despite the likelihood that both would see the task as the responsibility of the other. The extent to which the personal relationship between a contact and consultant could be extended to the organisation was seen to depend on the security and authority of the contact. Some of the more insecure contacts behaved in a guarded fashion and had difficulty in repeating concerns expressed to the consultant, when faced with colleagues and senior managers. For example, the initial quality manager for **Client C**, the initial contact for **Client D** and the contact for **Client 6**.

<b>FREQUENT CASE STUDY EVENTS</b>	<b>LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 &amp; 7-2)</b>
<p><b>Personal breakthrough in the development of trust</b> The consultant discussed business issues outside the scope of ISO 9000.</p>	<p>There was a danger that ill thought-out advice could adversely affect the credibility of the consultant. <b>(B, C)</b></p>
<p>A personal breakthrough with the client contact was noted after a number of meetings.</p>	<p>Some clients established a good personal relationship with the consultant from the outset. <b>(A, D, 4, 5, 9, 14, 16)</b></p>
<p>A shared sense of humour was generally an important factor in developing personal relationships.</p>	<p>An effective working relationship could be established without humour. <b>(E, 6, 10)</b></p>
<p>A deepening sense of trust was experienced in the relationship with some key client contacts.</p>	<p>Some client consultant relationships were purely functional. These were generally shorter relationships. <b>(7, 9)</b></p>
<p>Good working relationships tended to involve intense periods of creative activity interspersed with social discussion with no obvious boundaries.</p>	<p>Pressure for continuous output tended to result in hasty decisions resulting in less added value and long term implementation problems. <b>(F, 6, 7, 10)</b></p>
<p>It was common for the consultant and client to share lunch or occasionally socialise after work.</p>	<p>On some occasions the lunch break provided a needed gap where both parties could be alone. <b>(A, C, 10)</b></p>
<p>The tension and urgency of last minute preparation was supported, by building a good relationship throughout the assignment.</p>	<p>Difficulties arose when new relationships had to be formed towards the end of an assignment. <b>(1, C, D)</b></p>
<p>Client contacts generally used the consultant as a confidential and independent sounding board for organisational issues.</p>	<p>Some staff perceived the consultant to be working to a political agenda, for example viewing audits as staff assessment exercises. <b>(A, 9, 16)</b></p>
<p><b>Enhancing personal knowledge</b> The consultant could generally justify proposed actions to the satisfaction of the client.</p>	<p>On occasion the consultant's desire for logic or aesthetic neatness had to be sacrificed in order to pursue the general thrust of a required activity in the knowledge that details could be refined later. <b>(A, B, C, F)</b></p>
<p>Assessors' requirements were generally viewed from the perspective of evidence and documentation.</p>	<p>The likely viewpoint of an assessor, from a personal perspective was helpful to some clients. i.e. how an assessor would view their job. <b>(A, C, 3)</b></p>
<p>The degree of personal support required was generally established early on in an assignment.</p>	<p>The client contact could appear to be capable and require guidance only but, later on, demonstrate a mental block or inability to fulfil planned tasks. <b>(12, 16)</b></p>

**Table A4-4**  
**Dynamics of personal experience**

FREQUENT CASE STUDY EVENTSS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Respect for client and saving face</b> The structure of consultancy, whereby the client required help, generally placed an onus on the consultant to be circumspect. This involved symbolic acts of respect, which enabled the client contact to save face.</p>	<p>Some clients viewed the consultant’s role as an extra pair of hands and were more reluctant to accept guidance. In which case the client was in control and not obviously vulnerable to an imbalance of power with the consultant. <b>(11)</b></p>
<p>The consultant found the need to demonstrate empathy and respect to overcome resistance and win the support of secondary contacts, particularly those with little formal authority.</p>	<p>Some secondary contacts viewed a quality system positively, as a way of achieving better management and a more consistent input from their managers. <b>(B, C, D)</b></p>
<p><b>Motivating the client</b> The consultant had to generate a sense of urgency for a last minute implementation push, prior to assessment.</p>	<p>On occasion the consultant became personally and emotionally involved in the tension, which was seen as unhelpful in retrospect. <b>(C, D)</b></p>
<p>Favourable comparisons with other clients were used to motivate clients.</p>	<p>Unfavourable comparisons could help to generate a sense of competition in certain clients. <b>(A, B)</b></p>
<p><b>Politics of secondary relationships</b> The consultant generally remained detached from the politics of the organisation.</p>	<p>The consultant sometimes had to address the politics of relationships between client contacts. <b>(C, F, 3, 4, 7)</b></p>
<p>The relationship with the key contact altered when other contacts were involved in a group meeting. The key client contacts were concerned with their own position in relation to the group.</p>	<p>Where the client contact had sufficient authority and security, group meetings became an extension of the one to one meetings. <b>(A, C, 3)</b></p>
<p>A balance was sought between the experience and skills of the key contact and those of other individuals whose input was required for the quality system.</p>	<p>Assignments were sometimes personalised to reflect the particular interests of the key contact, for example marketing or design. <b>(D, 4)</b></p>
<p>Client contacts generally saw achievement of client aims as beneficial to their own positions in their firms.</p>	<p>Some client contacts required sensitivity to their individual roles, which could give rise to conflicting goals between the client business’ aims and the aims of the client contact. <b>(C, D, F, 5, 6)</b></p>

**Table A4-4 Cont.**  
**Dynamics of personal experience**

## PROCESS EXPERIENCE (See Table A4-5)

### Stimulating client ownership

The achievement of client ownership was fundamental to the ability of the consultant to generate client perceived value. A degree of client ownership was necessary in all the cases in order to achieve registration and to maintain a quality system. The consultant aimed to achieve ownership on a process by process basis. That is, secondary contacts were identified who could develop and maintain the necessary process activities. This was typically achieved directly by the consultant through secondary relationship development with process owners. However, there were occasions when the main client contact organised such secondary activities without the detailed involvement of the consultant. A good example occurred immediately prior to the assessment for **Client D**, when the calibration system was implemented without any direct consultancy involvement. The consultant's desire to stimulate client ownership was at times subordinated to the need to get things done in order to achieve the assignment objectives. At such times the consultant would carry out hands-on work or take on a managerial role to ensure that an activity or procedure was implemented. For example, the completion of a management review meeting for **Client F**.

### Timing and commitment to deadlines

While clients generally had target dates for assignment completion, the main constraint was the number of consultancy days contracted and the difficulty clients had in finding the time to be free for the consultant and to complete the necessary activities to make subsequent meetings worthwhile. The assignments generally complied with the three phases of documentation, implementation and audit followed by pre-assessment. It was typical to have to ration days at the later stages in order for the consultant to complete the assignment successfully in the required number of days. Obvious exceptions were the assignments that were revived after long periods of inactivity and changes in key contacts (**B, D, 1 and 5**) and the assignments where the clients were prepared to add consultancy days to the contract whenever required (**C and F**). While not explicitly referred to in **Table A4-5**, the timing considerations in the management and pacing of each episode had a cumulative effect on the use of time in the assignment as a whole. A daily rate of remuneration made the consultant conscious that a client might think that he was wasting time to create some extra days of work (the consultant was not accused of this). It was considered to be important to break down each session into appropriate tasks and to ensure that these tasks were completed at that session. This ensured that progress was visible to the client. Thus, if new tasks emerged or the client delayed in the actioning of preceding tasks then the consultant was perceived as having acted with integrity with regard to fulfilling responsibilities and the timing of activities.

### **Working routines**

Working routines played a large part in the development of cumulative value throughout the assignments. Working routines related to habits and repeated practices developed between the consultant and key contact. Where these routines involved the documentation of action points, or the timely completion of episode activities, they were viewed as a discipline for maintaining good practice. However, bad routines were also observed. For example, the first contact for **Client D** was relatively detached from the client business. This contact and the consultant developed a habit of spending long periods of time together in a small office, removed from the main activities of the business. The consultant did attempt to break this habit but had only minimal success. The stage of an assignment dictated routines to some extent. The implementation and audit phase generally required various people in different parts of the business to become more involved. The pre-assessment phase often required the commitment of extra resources by senior managers. In contrast, the documentation phase could be dominated by the main client contact, particularly in smaller businesses.

### **Process feedback**

Process feedback about an assignment, in one form or another, was critical to the ability of the consultant to improvise and adapt to an individual client's circumstances. Some of the client feedback was explicit and structured as for **Client A**. However, even when the assignment feedback involved a structured client response, the main source of feedback was via cues and prompts received in the course of routine dialogue between the consultant and client contact. Client contacts involved in cases for **Clients C and 5** completed the questionnaire survey (**Appendix 1**) described in **Chapter Two**, providing some additional formal retrospective feedback about those particular assignments. Again process feedback has to be seen to represent a continuum between an accumulation of routine low key feedback and any key incidents where the client contact explicitly discusses an issue with regard to the way the assignment is being managed. Such incidents were identified for **Client A** after a formal feedback discussion and for **Client 7** when the consultant was late for an appointment but did not phone to advise the client. One particular incident with **Client 6** identified the importance of feedback by the consultant in order to challenge difficulties with a relationship or the way in which the assignment was managed. A retrospective explanation of the consultant's approach was also found to make an important contribution to a review of the assignment for **Client A**. Feedback about the technical progress of assignments, largely through auditing, could not be separated from feedback about the management of assignment relationships, as the two were inter-dependent.

### **Structuring actions**

A quality system typically generates standard forms suitable for identifying actions and responsibilities. It was the practice of the consultant to make as much use as possible of these structures for the management of assignment processes, in order to avoid unnecessary duplication of notes. For some of the cases studied both the consultant and client found separate summary forms useful for recording agreed actions at the end of each session (**Appendix 3**). These forms were used to manage the assignment only and were not part of the client's quality management system. This was particularly useful in the early stages of an assignment as the latter stages could be structured through quality system documents such as audit reports, document change request forms and review meeting records. Some clients (**A, B**) clearly valued the tangibility offered by a structured approach to assignments, in addition to the practical benefit. The consultant used structured action records to identify actions and responsibilities and to get client contacts to commit to time scales which would maintain the momentum of assignments. Structured assignment records generated during assignments were also an aid to comparability for case study research.

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Stimulating client ownership</b> Secondary relationships between the consultant and client contacts, in addition to that with the main client contact, were generally developed with key process owners.</p>	<p>The main client contact acted as the interface with other contacts in some assignments. Thus preventing the consultant from forming secondary relationships. <b>(B, E, D, 16)</b></p>
<p>Consultancy work was carried out on site, working with a client contact. This was the preferred way of achieving client ownership.</p>	<p>The consultant sometimes worked alone, on site and sometimes worked off site. This was necessary when client resources were limited. <b>(A, F, 9)</b></p>
<p>The consultant perceived that assignments benefited from any challenge to the consultant’s suggestions or expectations of the quality system. Critical thinking often stimulated creative solutions.</p>	<p>Some clients preferred to be told what to do by the consultant. Client ownership was seen to be limited in such cases. <b>(13)</b></p>
<p>Client ownership was demonstrated through the consultant not being present at assessment.</p>	<p>Where the client contact had changed at a late stage or the client particularly requested the consultant’s presence then the consultant attended the assessment, but played a supporting role as far as possible. <b>(C)</b></p>
<p>The consultant’s desire to focus efforts on successful registration led at times to a directional style, particularly when time was running out. This required sensitivity and dexterity in order to maintain client ownership.</p>	<p>In extreme cases the consultant temporarily took a hands-on management role in order to stimulate required actions. For example, recording complaints or management review meetings to create the required records. It was never necessary to back date or forge documents, despite some clients desire to do so. <b>(F)</b></p>
<p>Auditing usually required detailed supervision by the consultant. Lack of time was often given as an excuse for reluctance to carry out audits. The client’s lack of confidence, or ability, imbued audits with a fear of being seen to check up on people.</p>	<p>Where the client took to auditing without supervision, this was seen as a clear sign of client ownership and control. <b>(A, 3)</b></p>
<p>Process input was generally obtained from those who were responsible for a job.</p>	<p>Some managers used procedures to dictate practices to employees, often at the expense of buy-in and implementation. <b>(E, 16)</b></p>
<p>The consultant could largely control the pace and structure of the documentation phase.</p>	<p>Some clients maintained control over all documentation activities. <b>(A, 7)</b></p>

**Table A4-5**  
**Dynamics of process experience**

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Timing and commitment to deadlines</b> Each phase of the assignment usually followed the preceding phase.</p>	<p>There were sometimes long delays between phases or periods of organisational change or inactivity. <b>(B, D, 1, 5)</b></p>
<p>It was common for implementation tasks to be forgotten or delayed. This was partly due to difficulty in understanding the quality system approach.</p>	<p>Some clients had an active approach and made sure that simple tasks were implemented as soon as possible. <b>(E, 8, 9, 10)</b></p>
<p>It was common for the implementation phase to be squeezed due to a shortage of contracted consultancy days following a period when client actions were not completed on time .</p>	<p>Where clients completed agreed actions the assignments could be completed to schedule <b>(A, 9, 10)</b>. In other cases clients were happy to contract for additional days. <b>(B, C, D, F)</b></p>
<p>Most clients ensured that time was devoted to working with the consultant.</p>	<p>On occasions client contacts were distracted, due to competing priorities. The clients other work could have more value than work with the consultant. <b>(A, D, E, F)</b></p>
<p>Most clients arranged an assessment at an appropriate time based on the consultant’s advise. The timing was used as a deadline to stimulate activity.</p>	<p>It was sometimes necessary to postpone assessments when the client could not commit resources to implementation, particularly for clients who had existing registration. <b>(B, C, D)</b></p>
<p>The consultant wanted to provide good service and have the integrity to work within the number of days contracted. This typically had to be balanced with client caused delays, which could generate a need for additional days of support. The level of consultant involvement tended to become less hands-on when time became more of a premium.</p>	<p>Some contracts were flexible with regards to the number of days required. The days tended to be negotiated as the project developed. In such circumstances, the commitment and level of detailed support provided by the consultant was expected to be greater. <b>(C, F)</b></p>
<p>The consultant’s attempts to stimulate early implementation failed leaving detailed implementation to be carried out at a later stage in conjunction with auditing.</p>	<p>Where early implementation did take place, this was seen as a good sign that a client’s processes were appropriate to their business. <b>(A, 2, 5, 9, 10)</b></p>

**Table A4-5 Cont.**  
**Dynamics of process experience**

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<b>Working routines</b> The consultant generally managed time between process analysis and the production of outputs	On occasion the consultant could get sucked into excessive detail at the expense of the assignment process. (C, 8, 12)
A working routine was usually established between client contacts and the consultant. The routine varied between client contacts and organisations.	Routines became more entrenched when the consultant worked continuously with a key contact. The routine could act as a barrier to the involvement of other contacts (D). In contrast, a busy distracted contact could facilitate the involvement of others (E).
It was generally desirable to record outputs, be they draft procedures, sketches, or forms, as soon as possible after a session otherwise the detail tended to be forgotten between sessions.	On occasion it was apparent that the process was likely to change and that a follow up session was required at a later date before useful outputs could be achieved. (C, D, F)
A last minute push was typical, prior to assessment.	Some clients were able to implement the system in a more controlled manner, which became part of routine activities. (A, 1)
<b>Process feedback</b> Client feedback was generally informal and unstructured.	Structured feedback was obtained after some episodes. (A)
Clients assumed a level of professionalism with regard to time keeping and accessibility by phone or e-mail. Feedback was given if these assumptions were in doubt.	Some clients did not appear to be as concerned with the consultant's professionalism, but appeared to value emotional commitment. (F)
Clients were not comfortable with personal feedback or criticism of the consultant, but were happy to provide prompts.	Some clients, provided feedback about the consultant's attitude and behaviour. (C, F, 11)
Clients accepted that the main role of the consultant was to advise and facilitate actions.	Some clients required the consultant to act as an employee, taking ownership of management tasks. This was seen, by the consultant, as a short sighted approach. (11)
The relationship usually developed harmoniously with favourable prompts and feedback to the consultant.	The consultant occasionally had to confront a client about the style of working and respective roles of the consultant and client contact. (6)
Account level feedback from client's senior management typically focussed on the time scale for registration and the number of days involved.	Some senior managers / partners took an active interest in the assignment, ensuring that benefits were achieved. (A, E, 3, 10)
The implementation and audit cycle involved focussed feedback on the progress of each process.	Some activities required one-off actions and did not benefit from cumulative audit feedback. (A, 5, 9)
Auditing revealed the extent to which management instructions were not carried out and activities assumed to have taken place, had ceased or never happened.	Most organisations had some processes, which had historically been subject to management scrutiny and so, stood up well to audit. (A, B)

**Table A4-5 Cont.**  
**Dynamics of process experience**

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Structuring actions</b> Informal action lists were used to supplement actions generated by audit reports.</p>	<p>Where the consultant felt under pressure to demonstrate professionalism or justify time, formal reports and action lists were created. Such reports were also used to overcome perceived tension between the aims of client contacts and senior managers. <b>(B, F)</b></p>
<p>Assignment meeting action points and responsibilities were recorded on meeting record forms. This helped to plan subsequent sessions.</p>	<p>Where a single contact was involved a less formal record of agreed actions was made. <b>(A, D)</b></p>
<p>Regular meetings with emphasis on actions were encouraged between client staff, both within procedures and the assignment structure. This was the easiest way to improve communication and accountability.</p>	<p>Uncomplicated client processes could be managed through standard communication routines and reports, without formal meetings. <b>(E, F)</b></p>
<p>A preferred approach was for assignment responsibilities to be allocated to different client contacts at an early stage.</p>	<p>Unclear responsibilities sometimes added to implementation delays. <b>(B, C, D, F)</b></p>
<p>The structures of the quality system, particularly management review meetings and audit reports, were used, where possible, to structure the assignment.</p>	<p>Additional action lists and assignment meeting action records were sometimes found to be useful. <b>(B, F)</b></p>

**Table A4-5** Cont.  
**Dynamics of process experience**

## **EVENTS RELATING TO ACTION OUTCOMES – AESTHETIC (See Table A4-6)**

### **Functional value**

The functional value of assignment outputs to clients, typically quality management system forms, depended on their purpose. The purpose was generally two fold. First to generate a record for management and secondly to stimulate an action or check which might otherwise be ignored in the absence of the documented control. The link between documentation and action was partially dependent on the perceived benefit or importance of the task, but also on the degree to which the record was interactive. Where a form required a tick box to be endorsed for an action perceived to be unimportant, the likelihood of the box being ignored or ticked without the intended action was increased. In contrast, an action perceived to be important, or having a high degree of come-back if ignored, was more likely to be completed. Where the document was interactive, for example requiring batch numbers or dimensions to be recorded, then the action had meaning and could not so easily be dismissed or ticked without thought. The requirement for individual's signatures to improve traceability and accountability was also an important factor in obtaining value from outputs. Outputs were approached by the consultant with the aim of providing the records required by assessors, at the same time as improving the client's process management. A trade off in value was observed between the adaptation of existing quality system outputs and the development of totally new formats. Other things being equal it was found to be more acceptable to clients if existing standard forms, as opposed to procedure documents, were maintained and new forms introduced only where necessary. Radically changed procedures were more acceptable than changed forms, because procedure documents were not usually read whereas forms were a part of routine activities.

### **Presentation for a particular audience**

Client contacts and the consultant could differ in their opinions of both the functionality and appearance of output documents. It was common for there to be a trade-off between the amount of information which could be captured on one page, against the space for data input and a cluttered appearance. Sometimes a compromise could be reached (the audit form for **Client A**), at other times an individual's preference had to be chosen (the quality report for **Client C**). This choice was always made by the client contacts.

### **Perceived responsibilities for outcomes**

Documented procedure forms or computerised processes were the tangible outputs of assignments. As such the perceived value of assignment activities was influenced by the understanding of who had been responsible for the creation of particular outputs. While clients were generally happy to take responsibility for the implementation of a quality system, the consultant was likely to be judged on the documented structure of the system, namely the assignment outputs. The degree to which clients took responsibility for creating their own procedures and forms varied between the clients studied. The client's self esteem and motivation appeared to increase when perceived to be responsible for producing an impressive or successful output. The consultant's self esteem was dependent on the assignment rather than individual activities. It thus suited the consultant if clients took credit for documents or forms that had been initiated by the consultant.

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Functional value</b> The structure of standard documents tended to be flexible and the value could only be judged in the context of the practices and routines adopted with regard to completing records. i.e what was written on the forms.</p>	<p>Highly specific, common control tasks could be standardised through simple structured documents such as tick boxes or measurement records. (C, E, F, 3, 8, 16)</p>
<p>General purpose documents were valued in preference to several different documents.</p>	<p>On occasion the human or aesthetic appeal of separate single purpose documents outweighed the logical efficiency involved in getting as much as possible on one sheet. (A, C)</p>
<p>It was common for outputs generated within the assignment to have wider commercial and organisational value outside the scope of the assignment.</p>	<p>Some forms and procedures could not have been justified without the requirement for registration. In such cases value was associated with economy of use. The consultant tried to minimise such outputs. (A, D, 13, 14)</p>
<p>Existing documents were used and modified where necessary. Such documents were preferred, as they tended to have a history of successful use.</p>	<p>Radically new process documentation could sometimes prove to be effective, for example contact reports and production inspection records. (A, B, D, 3, 8, 16)</p>
<p><b>Presentation for a particular audience</b> Clients generally produced documentation to satisfy internal auditors, assessors and operational staff.</p>	<p>Some clients were concerned with the presentation of the quality manual, in particular, as a marketing document for potential customers. (A)</p>
<p>Generally the presentation of quality system documents was functional.</p>	<p>Some clients put a lot of effort into art work and presentation so that quality system documents would present the client organisation in a good light. (1)</p>
<p>Assignment outputs were focussed on process requirements rather than individual' working practices.</p>	<p>On occasion a change in personnel was accompanied by major process changes which invalidated the original output. (F)</p>

**Table A4-6**  
**Dynamics of aesthetic action outcomes**

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Perceived responsibilities for outcomes</b> Outputs generated by the consultant were generally satisfactory to clients.</p>	<p>Where the client contact expressed dissatisfaction in output, the consultant had to balance this with the perception of other contacts, and satisfy the main users. (C)</p>
<p>The consultant received explicit praise for outputs.</p>	<p>Where clients expressed satisfaction with outputs, whether forms, working documents or procedures, they sometimes took the praise themselves, despite the consultant thinking that the consultant was responsible. The consultant was happy that this generated ownership, if not client' appreciation. (C, D)</p>
<p>Outputs were usually generated at the instigation of the consultant</p>	<p>Whenever clients generated improvements, the consultant was careful not to be critical and to encourage such demonstrations of ownership. (A, B, 3, 8)</p>
<p>Most clients were happy with a perceived hands-off, facilitative, approach by the consultant.</p>	<p>Some clients expected standard forms and procedures to be provided by the consultant. These were provided where necessary. (9, 13)</p>
<p>The most satisfying outputs for both consultant and clients resulted from having shared time and commitment to a detailed dialogue between the consultant and client contact.</p>	<p>The consultant found it easy, that is less stressful and more satisfying, to produce outputs independently after dialogue with the client contact. The temptation to do this was resisted in preference for the greater client ownership achieved through the client creating the output, even when this became a shared and laborious task. (C, E, F, 9)</p>
<p>The consultant typically picked up minor errors and mistakes in written work produced by clients. Care had to be taken to allow clients to save face and the consultant not to appear to be pedantic.</p>	<p>In some cases client contacts found errors in the consultants work, which obviously left an unfavourable impression, but could enhance the self esteem of the client contact. (C)</p>

**Table A4-6 Cont.**  
**Dynamics of aesthetic action outcomes**

## **EVENTS RELATING TO ACTION OUTCOMES – ORGANISATIONAL (See Table A4-7)**

### **Formal activity feedback**

The value of organisational action outcomes was found to be linked to the formal investigations of quality system implementation carried out within assignments. Feedback relating to the value of implementing the quality system could not easily be distinguished from the perceived value directly attributable to the consultant's input. Formal feedback was carried out both by the consultant and members of the client organisation. This formal feedback could be seen as a valuable process in itself as well as revealing the extent to which earlier assignment activities had been successful. While internal auditing required in ISO 9000 involves a highly structured mechanism for feedback, other professional service activities can involve formal organisational feedback via questionnaires or feedback meetings to monitor the effect of a consultant's input across an organisation. When involved in the process of obtaining formal audit feedback it was observed that some staff were inclined to personalise comments. They thought that they were expected to make qualitative judgements about individuals and procedures, rather than collect verifiable evidence. This predisposition could have explained some of the fears and insecurities experienced by staff when faced with the prospect of a quality system consultancy assignment. The technical nature of auditing, with its limited scope, helped to remove the threat of the system to those involved.

### **Informal activity feedback**

In addition to obtaining formal feedback, the auditing process was found to have a secondary informal influence on auditees. At times staff appeared to see auditing as an indicator of management's commitment to see the implementation process through. Auditing was a natural way in which the consultant could involve members of the client organisation, who otherwise would be excluded from formal meetings and activities. Auditing demonstrated the workings of the system to the auditees and provided the consultant with informal feedback about the practicability of documented procedures. This was always in doubt until verified at audit. The inspection record form developed for **Client F** was one example of a procedural plan, which was found to be theoretical and unworkable in practice.

### **Leadership and accountability**

While the consultant was happy to accept a leadership role in aspects of the assignment management, it was considered to be undesirable to extend this to the operation of the quality system, which clearly had to be owned by the client. Leadership was found to be particularly necessary in the pre-assessment push for implementation. Sometimes this was very crude, exploiting fear of assessment failure. Where authority was dispersed throughout an organisation, as was the case for partnership organisations (**Clients A and 7**), it was difficult to get certain partners to take on leadership roles with regard to the assignments. This type of resistance was addressed, in part through obtaining a minimal amount of co-operation through negotiation, but also by pushing ahead on core activities, which did not rely on ownership by the resistant individuals.

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Formal activity feedback</b> Auditing activities were usually carried out by the client contact.</p>	<p>Separate auditors were sometimes trained as part of the assignment. (A, D)</p>
<p>The consultant did not defend ISO 9000, but looked for the opportunity to make process improvements in the course of the assignment and emphasised the need for flexibility.</p>	<p>Initial concerns of staff at awareness training sometimes related to a perceived need for independent inspection, rigid rules and unnecessary paperwork. The consultant attempted to allay their fears on these counts. (A, B, D, 10)</p>
<p>The consultant encouraged auditors to focus on collecting and recording verifiable evidence, which could then be used to stimulate general improvements.</p>	<p>A typical approach to auditing was for client staff to record general observations and judgements of a personal nature. Trainee auditors were sometimes inclined to focus on the specifics of audit findings rather than the implications for the system as a whole. (A, B, D)</p>
<p><b>Informal activity feedback</b> Staff were initially apprehensive about being audited</p>	<p>Auditing was sometimes seen, by staff, as a positive indicator of management commitment to see things through rather than pay lip service to policies. (C, E, 1, 10)</p>
<p>Feedback from secondary client contacts and process owners was generally dealt with on an individual basis by the consultant.</p>	<p>On occasion formal progress meetings were held with key process owners to manage implementation. (A, B, C)</p>
<p>High profile auditing was generally the best way to make staff aware of the reality of a quality system, what the priorities were and which areas would have to change practices.</p>	<p>Some clients carried out auditing effectively but initially failed to generate required subsequent corrective action and improvements. (A, B)</p>

**Table A4-7**

**Dynamics of organisational action outcomes**

FREQUENT CASE STUDY SCENARIOS	LESS FREQUENT CASE STUDY SCENARIOS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Leadership and accountability</b> The consultant generally encouraged the client to lead formal review meetings. It was particularly important for senior managers to demonstrate their commitment to other staff.</p>	<p>It was sometimes appropriate for the consultant to take the lead in meetings, particularly when training was involved. <b>(F, 2, 4, 9)</b></p>
<p>The consultant generally prioritised the facilitation of internal auditing, leaving general staff awareness and implementation issues to the client</p>	<p>Some clients required the consultant to have a greater involvement in training and the management of implementation. <b>(B, C, F, 9)</b></p>
<p>The method of communicating implementation requirements was viewed by the consultant as secondary to the degree of leadership displayed by managers. There was a need to apply some organisational pressure at the latter stages of implementation in order to achieve the required disciplines of implementation.</p>	<p>Internal audits and assessments were sometimes used to motivate staff through fear of failure. Staff were sometimes threatened with disciplining if they did not conform to the system. The consultant accepted that this was one way to get the result but preferred negotiation when allowed the time to facilitate such an approach. <b>(A, B, 1)</b></p>
<p>The consultant encouraged delegation of procedure writing to those who were responsible for implementation. In practice, procedures were usually written jointly by the consultant and the key contact.</p>	<p>Ownership of procedures was a particular issue in some partnership businesses where partners appeared to work as mini, autonomous businesses, with their own processes. <b>(B, 4, 7)</b></p>

**Table A4-7** Cont.  
**Dynamics of organisational action outcomes**

## ULTIMATE PRIMARY OBJECTIVE (See Table A4-8)

### Achievement of primary objective

Regardless of the actual benefits of achieving registration, there was a clear symbolic value to the reputation of the consultant. While the consultant could not control all the factors involved in a client obtaining registration, the consultant felt responsible. He could not credibly take any credit for a client's success without being prepared to accept some responsibility for a client's failure. None of the cases studied involved failed assessments, so failure in terms of the primary objective was confined to those clients who did not apply for registration. Despite some evidence that value had been generated without assessment and that the decision was the commercial responsibility of the client, the consultant did view these cases as partial failures.

### Achievement of sub-objectives

The value of sub-objectives was that they served as staging posts to indicate tangible progress in the assignments studied. They helped to discipline the activities of both the clients and consultant. Formalised sub-objectives documented in assignment proposals tended to be superseded by informally negotiated objectives once a trusting relationship had developed between the main client contact and consultant. It was found to be better to set sub-objectives and fail, rather than lose momentum through indecision. **Clients C, D and F** had to postpone assessments at some stage of their respective assignments. However, in all cases the planned assessments helped to stimulate progress. Unlike softer aspects of value such as key incidents, episode objectives or cumulative value, assignment objectives helped to provide a clear structure which directly supported commercial value in terms of the number of consultancy days devoted to each stage.

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Achievement of primary objective</b> All but one of the larger cases and some of the smaller cases achieved registration.</p>	<p>The cost/benefit calculation, for implementation and registration, was a barrier for smaller clients in particular. (4, 5, 7, 12, 13, 14)</p>
<p><b>Achievement of sub-objectives</b> It was not common for the primary objective to be formalised in assignment stage objectives.</p>	<p>Where a rigid objective, for example documentation in 10 days by Christmas, was achieved then this could be seen as contributing to the primary objective. (A)</p>
<p>Satisfactory pre-assessment by the consultant was a necessary achievement, prior to application for registration.</p>	<p>Some clients were in a position to apply for registration but chose not to. (E, 2, 5, 16)</p>
<p>Formal pre-assessments and desk audits by External assessors provided feedback which confirmed that clients were on track to achieve their primary objective.</p>	<p>The consultant sometimes became involved in making minor adjustments in response to pre-assessment feedback. These activities were seen as priorities for the actual assessment. (B, C, F)</p>

**Table A4-8**

**Dynamics of ultimate primary objective**

## ULTIMATE COMPETITIVE VALUE (See Table A4-9)

### **Formal assignment feedback**

Formal assignment feedback relates to a client's explicit retrospective opinions of the value of an assignment after its completion. This is in contrast to task feedback, which relates to detailed activities carried out within the assignment. The likelihood that the client would use the consultant again or refer the consultant to others was viewed as an indicator of the effect of the assignment on clients' perceptions and thus the reputation of the consultant. Formal assignment reviews with certain clients, particularly **Client A**, revealed that the process of obtaining feedback was not one-way but could be influenced by negotiation and explanation on behalf of the consultant. Indeed the act of asking for feedback itself was viewed as having an effect on the client's perceptions of the consultant.

### **Informal assignment feedback**

In addition to formal, explicit feedback, the cases studied included indirect indicators of aspects of the assignments valued by clients after assignment completion. It was not common for clients to comment on significant business or process improvements resulting from these assignments. Rather, satisfaction was expressed in terms of the assignments causing less disturbance or harm than initially feared. This observation reflects badly on clients' initial opinions about ISO 9000. Having devoted so much effort to the development of a relationship there was some resistance to termination by both the consultant and client contact. This was thought to influence those clients who expressed a desire for further consultancy support, usually through a contract for the consultant to carry out internal audits. Client insecurity or lack of confidence in maintaining the system could also have been a factor. Obviously there could be practical commercial reasons for continuing to use a consultant beyond the initial assignment. Informal feedback sometimes involved a consideration of any lessons learned in the course of an assignment. Examples of this were comments made about the approach taken to documenting a quality system. Having started from a desire to minimise change to existing documents, the initial contact for **Client C** would, in hindsight, have preferred to start from a clean sheet.

### **External assignment feedback**

A common source of feedback, among those clients who experienced external assessment, was from assessors. This type of feedback tended to contain minor technical details and contributed to the consultant's learning from one assignment to another. However, the consultant had to be sensitive to the effect that assessors' comments would have on the perceptions of clients. The consultant had to react to these comments without appearing to be defensive. One reason why the consultant did not normally attend assessments was to avoid any potential conflict with assessors

that could have diminished the relationship between the client and assessor as well as that between the consultant and client. Other sources of external feedback were funding bodies such as Business Links and associates of clients from other organisations. Funding bodies had a stake in an assignment and were, therefore, supportive when involved at all (**Client B**). In contrast, some negative feedback was obtained via associates of clients. Such feedback was a challenge to the consultant's approach, which needed to be overcome, to ensure that any specific concerns of the client were fully addressed (**Client A**).

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Formal assignment feedback</b> Feedback from clients was not normally formalised or specific except when an issue naturally arose.</p>	<p>Some formal feedback was obtained, via the skills questionnaire and the feedback questionnaire. When using the feedback questionnaire to structure an explicit end of assignment review, it was found helpful for the consultant to explain the approach as part of the process of clarifying client perceptions. <b>That is, client perceptions were not fixed and could be influenced by both the act and process of obtaining feedback. (A, C, 5)</b></p>
<p>Follow on work would be an obvious indicator of value. However, most of the assignments were discreet activities with no obvious potential for follow on work.</p>	<p>Where follow on work did occur it was confined to changes in the quality system or a maintenance contract to carry out routine auditing. <b>(B, F)</b></p>
<p><b>Informal assignment feedback</b> Favourable perceptions reflected the non-fulfilment of unfavourable expectations, for example 'it didn't cause the problems we feared'.</p>	<p>Limited positive feedback was obtained with regard to business improvements. <b>(A, E)</b></p>
<p>A balance had to be struck between, the adaptation of existing documentation and starting from scratch. Most clients had little in the way of procedures prior to an assignment.</p>	<p>Where existing procedures were incorporated into the system, this tended to be done to engage the client at assignment initiation. In hindsight the consultant and clients would have benefited from a clean sheet approach. <b>(C, F)</b></p>
<p>The client generally did not perceive much value in the role of the managing associate consultancy companies via which most of the cases were contracted.</p>	<p>The exceptions were some, but not all of the assignments involving workshops where the managing associate delivered most of the workshop programme. <b>(2, 3, 6, 7, 8, 12, 13, 14, 16)</b></p>
<p>The consultant took the role of encouraging the clients to get into a position to apply for registration. Clients largely took responsibility for the final implementation and registration. The consultant's primary task was accepted to be that of facilitating the documentation and auditing of the system.</p>	<p>The clients that did not obtain registration typically provided some favourable feedback about the consultancy received. None of the assignments terminated acrimoniously. All invoices were paid. <b>(E, 12, 14, 16)</b></p>

**Table A4-9**

**Dynamics of ultimate competitive value**

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>External assignment feedback</b> Assessment feedback generally confirmed the professionalism of the consultant and the pre-assessment priorities, which had been set.</p>	<p>Some minor negative feedback was obtained via assessors. Inconsistencies between assessors created problems for the consultant and client. Some appeared to have more common sense and flexibility than others. (A, C)</p>
<p>There was generally little formal external feedback, which related to the value of the consultant prior to registration.</p>	<p>Funding bodies such as business links could have some involvement through their role in ensuring that an assignment was progressing satisfactorily. (B)</p>
<p>Informal feedback was usually favourable and typically stressed the flexibility and lack of paperwork involved in comparison to other companies or experiences with previous consultants. ‘We did not realise that we could apply common sense’ was a typical comment.</p>	<p>Some informal negative feedback related to experiences of client staff in other companies or from friends of clients. This type of feedback was often ill informed and challenging requiring the consultant to explain his approach. (A)</p>
<p>The facilitative or collaborative approach to assignments left the consultant vulnerable to perceptions of accountability for actions, which had been controlled by the client.</p>	<p>Where a directive approach was employed the consultant clearly accepted increased accountability for outputs. (C, F, 9)</p>

**Table A4-9** Cont.  
**Dynamics of ultimate competitive value**

## **EVENTS RELATING TO ULTIMATE CONTEXT (See Table A4-10)**

### **Context of original assignment aims**

Retrospective review of an assignment provided an opportunity for a client to consider the merits of the original decision to embark on the process. In addition to understanding achieved during an assignment, increased awareness of the reality of the requirements of the clients' customers was observed. This was particularly important for small companies who would hold back on applying for registration until there was clearly a commercial benefit. This affected the perceived value of the consultant's input in so far as the consultant was associated with selling the assignment. The consultant was in fact partially detached from the decision in all but one of the case studies (9), the assignment sales process being controlled through an associate consultancy organisation, the value of which was at times questioned by some clients.

### **Changed strategy**

The context of an assignment could change during an assignment as a result of a changed business environment or strategy. This type of change was outside the control of the consultant. However, the consultant could provide value by identifying emergent changes and pointing out the implications to the client. It was considered important for the consultant to be honest with the client about the implications of changes for the assignment. For **Client 2**, who had a customer who didn't want to work with suppliers with ISO 9000, the consultant had to respect that reality and encourage the client to make their own balanced decision about registration, without prejudice.

### **Variation between clients**

The ability of the consultant to provide value to clients was observed to be highly dependent upon the particular capabilities and aims of individual client contacts. This serves to demonstrate the interdependence of the consultant and client contact and the need for the consultant to be flexible to respond to variation between clients. While variation in the type of business studied was significant, the main variable was the individual client contacts within the businesses. A common experience was for clients to express a belief that their organisations were somehow different and uniquely chaotic. The ability of the consultant to relate a client's situation to that of other clients was of value in helping them to believe that their own business was no more chaotic or unmanageable than others.

FREQUENT CASE STUDY EVENTS	LESS FREQUENT CASE STUDY EVENTS (Ref. to relevant cases – Tables 7-1 & 7-2)
<p><b>Context of original assignment aims</b> Businesses generally required a strong desire or commercial need in order to achieve registration.</p>	<p>Any weakness in commitment, or uncertainty about the cost benefits of registration inhibited application for registration. <b>(E, 4, 5, 7, 12, 13, 14)</b></p>
<p>Achievement of registration was generally an important marketing tool for clients.</p>	<p>One small client had a customer who did not want to work with suppliers who had ISO 9000. <b>(2)</b></p>
<p>ISO 9000 consultancy was generally perceived to involve a reluctant sale in order to achieve registration.</p>	<p>Some clients genuinely embarked on the assignment to achieve process improvements and saw registration as secondary. Some clients were satisfied with getting into a position to apply for registration should their commercial environment require them to be registered. <b>(E, 4, 5)</b></p>
<p>The assignment aims were generally appropriate for the businesses studied.</p>	<p>The appropriateness of the assignment would have to be questioned in some cases. Some of the clients may have been victims of pressurised or misleading sales tactics. <b>(12, 13, 14)</b></p>
<p><b>Changed client' strategy</b> Assignments lasting between nine months and two years involved a long period of time in relation to a small business's planning horizons. The context of the assignment or parts of a quality system could easily change in that period.</p>	<p>One client managed the business on a two year plan <b>(16)</b>. Another client wanted ISO 9000 to enhance the saleability of the business prior to retirement <b>(3)</b>. One client took over two new businesses in the course of the assignment <b>(D)</b>.</p>
<p><b>Variation between clients</b> The extent to which value could be added to client processes outside the scope of ISO 9000 depended largely on the capability and commitment of the client.</p>	<p>Opportunities arose for the consultant to facilitate client process improvements directly, usually by adapting existing practices. Such interventions could be implemented more easily than totally new activities <b>(C, E, 16)</b>.</p>
<p>Clients generally over-emphasised the perceived differences between their organisation and others.</p>	<p>Some clients were significantly different due to extremes of management rather than type of business. For example one of the mini cases involved an owner who habitually over-committed to win sales thus putting great strains on quality system processes. <b>(8)</b></p>
<p>Most of the assignments had sufficient areas in common to justify some standard assumptions by the consultant and client. However, assumptions had to be flexible.</p>	<p>One client firm, run as a family business, had a management review meeting in the bath <b>(13)</b>. One client who failed to reach the auditing phase of an assignment identified many areas of improvement, resulting from the assignment despite barely writing a procedure <b>(12)</b>. Some clients obtained contracts on the back of working towards ISO 9000, without ever achieving registration <b>(5,13)</b>. One client didn't have a business bank account <b>(14)</b>.</p>

**Table A4-10**  
**Dynamics of ultimate context**

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