Management consultant, client relationships: a study of their impact on consultancy outcomes in SMEs

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by

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DECLARATION

I, Gary I. Noble, declare that this thesis, submitted in fulfilment of the requirements for the award of Master of Commerce (Honours), in the Department of Management, University of Wollongong, is wholly my own work unless otherwise referenced or acknowledged. The document has not been submitted for qualifications at any other academic institution.

Gary I. Noble
24 February 2000
ABSTRACT

This thesis examines what aspects of the ‘consultant – client relationship’ (CCR) affect the adoption of a consultant’s recommendations in the context of a small or medium enterprise (SME). In addition, it explores how clients judge the success of consultancy projects and come to recognise lessons learned from a consultancy.

The CCR is explored in terms of three key aspects, identified from the literature, trust, power and what is labelled here the ‘comfort zone’. These three aspects are examined in three case studies developed from interviews of client/owners in a government sponsored program to assist SMEs through consultant development of business plans. In each case, client’s identified contextual factors from their experiences of the CCR as important in determining their sense of a project’s ‘success’.

The findings of this study point to the CCR as being complex and involving a number of multi-faceted aspects, that do not appear to be given significance in the consulting literature or are in need of further clarification. Such overlooked aspects of the CCR include: the use of power in the CCR, the influence of gender relations on the CCR and the importance of communication flows, obligation, reciprocity and commitment. In addition to influencing the adoption of a consultant’s recommendations, the CCR also appears to influence three factors that SME clients place emphasis on when judging the success of a project – financial change in the business, new knowledge on operating a SME learnt through the consultancy and any new perspectives on their business gained as a result of the consultancy.
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INTRODUCTION

In this thesis, the connections that are made between a consultant and client during the course of a consultancy project, as a result of their interactions are labelled the ‘consultant – client relationship’ (CCR). The CCR is the focus of this thesis because, as a former manager and owner of both small and medium sized enterprises (SMEs)\(^1\) that have regularly employed management consultants, and now as a management consultant myself, I have participated in, observed and been told of incidents that suggest the nature of the CCR is a major factor affecting the outcomes of many consultancies. This thesis examines which key aspects of the CCR, as perceived by the client, affect the adoption of a consultant’s recommendations in the context of a SME and how clients judge the success of consultancy projects.

The following true story suggests that the nature of a CCR can affect the outcomes of a consultancy project, including the decision not to implement a consultant’s recommendations, and how a client ultimately judges the success of a consultancy. It was through reflection on the importance of the CCR in the following story that the problematic for this study came to be clearly defined.

The following story is based on observations and interviews taken for an earlier academic study over several months in late 1997 and early 1998 in a small manufacturing business. A follow-up interview was also conducted in 1999 for the purpose of this thesis. The earlier study was focused on analysing the operations management practices of the business and was undertaken as part of a Master of Business Administration degree. The researcher was not one of the management

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\(^1\) SMEs are defined in this thesis as enterprises with fewer than 100 employees.
consultants involved in the consultancy project described, merely an observer of the consequences of it. This business was referred to the researcher by a client manager in the New South Wales Department of State and Regional Development (DSRD) who described the business as an example of a “successful” and “well run” small business that would act as a “suitable subject” for a study on operations management practices.

CONSULTANTS? – “USELESS THE LOT OF THEM”

Joe Harvey (pseudonym) is the owner/manager of a small manufacturing business in regional New South Wales. Joe never completed high school, and is proud of the manner in which he has built the business from “nothing” to a turnover in the millions of dollars in less than ten years. When asked how he has achieved this growth, Joe refers to “lots of luck”, “hard work” and a willingness to “get help”. Joe says that accessing various government small business assistance programs is an important part of his “get help” attitude. As part of these assistance programs, Joe has used several management consultants at various times during the business’s growth to either prepare business plans, review business plans or update business plans. What does Joe think of these consultants and have they helped the business?

“Useless the lot of them”, Joe states, “haven’t helped the business one bit - look at this example...a total failure”. The example Joe is referring to is a business plan prepared by consultants from one of the large multi-national accounting firms in 1996. The elegantly bound, one-hundred page plus business plan concludes with a list of “strategies” that use such phrases as “employee empowerment” and “process innovation” to describe recommended actions.
In the time since the business plan was completed, none of the strategies recommended has been implemented by Joe. When asked why this is the case, Joe responded by saying that he does not believe the strategies suggested by the consultants would help the business’s “bottom line result”. However, from conversations with Joe and his employees, there appears evidence to suggest another factor could have influenced his decision not to implement the strategies, namely, the nature of the relationship Joe had with the consultants.

Joe states that the consultants seemed “OK at the start”, but as the consultancy progressed they “became like all the others...came in here with their suits, using big fancy words and telling me what I had to do - they forget I’m the boss”. Joe talks about “losing confidence” in the consultants as the project went on, although he offers no explanation as to why this occurred.

During the three months it took to prepare the business plan, the consultants spent considerable time in formal meetings with Joe. Sue (pseudonym), the company accountant, was also present at many of these meetings. She states that Joe’s apparent attitude toward the consultants changed during the course of the consultancy. She described the relationship between Joe and the consultants at these meetings as “amicable” at the start of the consultancy, but developed into “antagonism and anger” in the latter stages of the project. When asked to offer an explanation for this, Sue refers to Joe as needing to be “always in control...something the consultants threatened”.

Rick (pseudonym), the factory foreman, was also present at many of these meetings. He also stated that Joe’s attitude appeared to change during the course of the project. In Rick’s view, the consultant’s recommendations “were on the ball”, and Joe’s decision
not to implement them has “more to do with Joe’s attitude towards [the consultant] than what was recommended”.

As a practising management consultant, what I find interesting in this story, is the relationship Joe had with the consultants and how this relationship appears to have been a factor in Joe’s decision not to implement the consultant’s recommendations and label the project a “failure”. To gain a sense of direction in searching for an explanation for Joe’s decisions, and focus the study, Joe’s experience of management consultants can be compared and contrasted to those of Clive in the following true and ongoing story. As with Joe, Clive also owns and operates a small business in regional New South Wales and recently engaged a management consultant, through a government assistance program, to assist in the preparation of a business plan.

CONSULTANTS? – “HE’S THE EXPERT”

‘Superb Racing’ (pseudonym) is the name of a business that employs eighteen full time employees and builds large multi-hulled ocean racing catamarans. Each of the catamarans is unique, built to individual plans and specifications and is valued at hundreds of thousands of dollars. The business has sold these specialist boats to clients in locations from Hawaii to Scandinavia. The business is owned by a family friend of the researcher, Clive Lewis (pseudonym), who can only be described as a “larrikin”, a former naval petty officer who freely admits in conversations to being more comfortable on the deck of one of his boats than behind a desk “acting as a manager”.
Superb Racing is Clive’s third attempt at a boat building business, each of the previous attempts ending in a cash flow crisis, insolvency and ultimately, bankruptcy. Clive admits his bookkeeping skills are not “great”, regularly calling on his wife to leave her own job for several days each month to “sort out the mess” that represents the ongoing financial state of the business. As a friend, I introduced Clive to the Small Business Expansion Program (SBEP), a small business assistance program administered in New South Wales by DSRD, with the belief that it would be able to help him and his business to address the need for closer monitoring of the cashflow and generally place the business on an “even keel”.

Clive has been working with a management consultant for the past few months with a brief to draw up a business plan for Superb Racing that can lead to growth and address some of the day to day management needs of the business. In an initial draft business plan, the consultant has already recommended a number of substantial changes to the business. Clive has been eager to adopt these changes without any hesitation or signs of doubting the appropriateness of the recommended changes. When asked directly if he has considered the full implications of the changes suggested by the consultant, Clive avoids the question directly and responds that “he’s the expert” – referring to the consultant. These and other comments that Clive uses to describe the consultant and the consultancy project, such as “have absolutely no hesitation in recommending Hugh [the consultant’s pseudonym] to anyone”, suggest that the consultant has nearly taken on a demigod status in Clive’s eyes. The effect of this status is that whatever the consultant suggests appears likely to be implemented without hesitation or serious questioning.
The relationship Clive has developed with Hugh now extends beyond a professional interest in the business. Clive and Hugh share a common interest in sailing and boats, and Hugh recently crewed for Clive during sea trials of a new boat design. They appear to have become firm friends with Hugh staying at Clive’s house on his regular visits during the consultancy project.

The two stories described in this Introduction serve the principal purpose of contrasting the experiences of Clive and Joe in terms of the relationship they have with the relevant consultants. Joe appears to have experienced a CCR characterised, at least in the latter stages of the project, by perceptions that the consultants were attempting to erode his control and power. These perceptions appear to be a contributing factor in Joe’s decision not to implement the consultant’s recommendations and to label the project a failure. In contrast, by being so willing to implement Hugh’s recommendations, Clive appears satisfied to cede a considerable degree of power to Hugh. There could be a number of reasons for this, for example, Clive’s history of business failures might have resulted in a sense of insecurity that Hugh’s presence and advice helps to alleviate. Whatever the reason, the point of interest for me is that the relationship between Clive and Hugh, characterised by an increasing personal friendship, appears a factor in Clive labelling Hugh the “expert” and deciding to implement all his recommendations without substantial questioning.

What emerges from both stories is that, despite contrasts in the characteristics of the CCR, it appears to have been a factor in determining the outcomes of the consultancy.
This is not the only similarity between both stories. By considering this and other similarities in the two stories, two key research questions for this study can be identified:

1) What key aspects of the relationship between the consultant and client in an SME affect the adoption of recommendations made by a consultant, and as a result;

2) how do SME owner/managers judge the ‘success’ of a consultancy project?

AIM AND SIGNIFICANCE OF THE STUDY

Recent surveys (Gome 1999, Ernst & Young 1998, IBIS 1997) show an increase in the use of management consultants by the owners of SMEs, such as Joe and Clive, to assist them in planning the future growth of their businesses. In Australia, the management consultancy industry is estimated to currently have revenues in excess of $800 million (Ruthven 1999). Odgers (1998) has estimated that by the year 2010 over 100,000 people in Australia will be marketing themselves as a ‘management consultant’. Odgers also believes that many of these “newer” management consultants will begin by directing their services toward the SME sector (Odgers 1998, p. 20). In this sector, the impact of management consultants is frequently more immediate than in larger organisations and corporations because the consultants interact more directly with the key decision maker in the small enterprise, the business owner (Manning 1999).

Along with the increased use of management consultants are numerous stories of failed management consultancies, the charging of exorbitant fees, and reports of less than ethical practices. Such stories have provided academics (e.g. O’Shea & Madigan 1998, Micklethwait & Wooldridge 1996) and writers in the popular management press (e.g.
James 1998, Holmes 1998) with ample opportunity to portray the management consulting industry in a far from favourable light. This form of criticism combined with the numerous anecdotal quips that abound; for example, “a consultant is a person who borrows your watch to tell you the time” or “why ask me, I don’t work here, I’m only a consultant”, may help explain what appears to be a widely held pessimistic view of consultants and the consultancy industry in general.

A contributing factor to the industry’s negative perception is that both in Australia and throughout the world, it is an industry that is largely unregulated. There exist no formal, professional entry requirements to the industry, with any individual being able to adopt the label of ‘management consultant’. As such, they are free to portray themselves as ‘experts’ and, depending on their ability to market their services, enter and influence the operation of any organisation. Accordingly, the industry is more open than most to the entry of unscrupulous operators or individuals that are ill equipped to provide advice and assistance to clients.

Despite the increase in the use of management consultants and the image of the management consulting industry, very few academic studies have been undertaken with the specific purpose of investigating how management consultants function in the context of SMEs and the nature of the relationship that exists between a consultant and client, notable exceptions being Sturdy (1997), Hankinson (1990) and McGivern (1983).

To overcome this limitation and the dearth of literature, this study explores the relationship between management consultants and the client/owners of SMEs. The
study analyses the CCR in terms of three key aspects of the consultant and client interaction that underlie and are likely to determine the nature of the CCR – trust, power and what is labelled here the ‘comfort zone’. The findings of this study point to the CCR as being complex and involving a number of aspects overlooked in the literature, including: the use of power in the CCR, the influence of gender relations on the CCR and the importance of communication flows, obligation, reciprocity and commitment. An exploration of these aspects of the CCR not only adds to the existing literature it also provides insights into the outcomes of some consultancy projects, including those of the consultancy projects involving Joe and Clive and described earlier.

For management consultants and other advisers to SMEs, such as accountants, solicitors, government advisers and so on, this study hopes to draw attention to the significance of the relationship they have with the owners of these enterprises. The nature of this relationship can take many forms, as shown by the contrasting experiences of Joe and Clive. In turn, the CCR may influence, amongst other things, whether or not the recommendations of the consultant or adviser are ever implemented into an organisation, how they are implemented, and whether a project is judged a success or failure. In this respect, this study found that the three SME client’s placed emphasis on: financial change in the business, new knowledge gained on operating a SME learnt through the consultancy, and any new perspective on their business gained as a result of the consultancy. These three factors also point to directions for future academic research, research that might be seen as addressing the SME owner in his or her ‘knowledge management’ role, with the consultant as one resource of ‘knowledge’.
OUTLINE OF THE THESIS

This thesis is structured as follows. Chapter 1 starts by reviewing how the literature on management consulting addresses the CCR. Three aspects of the CCR are singled out as significant: trust, power and what is termed in this thesis, as the 'comfort zone'. This latter term includes, amongst other factors, notions of likability and positive regard.

In Chapter 2, the rationale behind the use of qualitative research methods, particularly the use of a multiple-case study strategy and critical incident protocol, are explained. The chapter also explains why three cases have been studied. It was found that an in-depth study of three cases was sufficient to support proposition that the literature is possibly lacking in addressing too narrow a range of influences on the CCR and how clients come to judge the success of a consultancy project. In addition, this chapter provides details on how the research was undertaken, on the three case studies in terms of data collection and analysis.

Chapter 3, presents the findings from interviews in terms of what the three respondents perceived as the basis of trust in the CCR, how they perceived power as functioning within the CCR, and how each respondent characterised their relationship with the consultant. Each business owner also described his or her background, the history of the business and the consultancy project itself.

In Chapter 4, the interview findings are analysed and discussed in terms of both understanding each case as a unique entity and in terms of 'theory fit'. This chapter points to the CCR as being complex and involving a number of multi-faceted aspects,
some of which appear to be not given significance in the consulting and academic literature or are in need of further clarification, such as the use of power in the CCR.

The thesis concludes with Chapter 5, where implications from the study's findings for the consulting and academic literature and the practice of management consulting are discussed, along with areas for further research. The study concludes by suggesting that the nature of the CCR appears to be a significant factor in influencing the adoption of a consultant's recommendations and involves a number of aspects in need of further research. The study also suggests that the nature of the CCR appears to influence three factors that clients place emphasis on when judging the success of a consultancy project – financial change in the business, new knowledge gained, and any new perspective on the business they may discover as a result of the consultancy project.
CHAPTER 1

THE CONSULTANT – CLIENT RELATIONSHIP (CCR)

INTRODUCTION

In the management consulting literature, three aspects of the CCR can be singled out as significant: trust, power and ‘comfort zone’. This latter term refers to the socio-emotional aspects of the CCR such as likability and similarity. However, in discussions of these three aspects, the consulting literature does not attempt an analysis of the CCR, but merely offers prescriptions for how to instil trust, exert power and create a ‘comfort zone’ and how to conduct the CCR itself. For example, frequent and repeated reference to the term “trust” can be found throughout the consulting literature, but there is no accompanying discussion of the concept of trust in the CCR or how ‘trust’ tends to be established and sustained overtime in a CCR.

This chapter begins with a discussion of the importance of the CCR as dealt with in the management consulting literature. However, despite the significance afforded the CCR in the literature, it is represented and described from only two dominant perspectives, (1) in terms of the ‘role’ of the consultant, and (2) in terms of the ‘transactions’ that occur between a consultant and client. Utilising the cases of Joe and Clive, it can be demonstrated that neither of these perspectives adequately explains the outcomes of many consultancy projects. To address this problem and to gain a greater insight into the CCR, the chapter draws on the literature not only from the management consulting field, but also from the disciplines of social psychology, sociology of work and
organisational theory to identify key aspects of the CCR. The literature from each of these sub-disciplines assists in broadening the study of the CCR to include previously uninvestigated aspects of the CCR.

In the last part of this chapter, the rationale is given for singling out as significant, trust, power and the 'comfort zone'. It is argued that these three key aspects are important to an understanding of the dynamic nature of a CCR because they reflect the client's perspective of the CCR, as is shown by the experiences of Joe and Clive that were described in the Introduction. These three key aspects of the CCR help refine the research questions, and, identify significant gaps in the academic literature that guide the selection of a qualitative research design for this study.

THE SIGNIFICANCE OF THE CONSULTANT – CLIENT RELATIONSHIP


Clark (1995) claims two factors determine the success of a consultancy project, firstly, how well the client and consultant interact and, secondly, the level of technical competence of the consultant. Similarly, Block (1981, p. 4) argues that a successful consultancy project is dependent on the combination of three factors, (1) technical skills, (2) interpersonal skills and (3) consulting skills. These terms refer to (1) the
technical competence of a consultant, (2) a consultant’s ability to interact with a client in a manner that results in positive consultancy outcomes and (3) a consultant’s ability to manage various stages and events that may occur during a consultancy project.

A recent empirical study on the ‘success’ of management consulting projects suggests that the interaction between a consultant and client might be a more significant factor in the ‘success’ of a consultancy project than technical competence. Jang, Suh and Lee (1997) collected data from the clients of 119 management consulting projects. In this study the researchers defined ‘success’ as the ability of the consultancy project to achieve pre-determined goals and found, much to their stated surprise, that the “...competence of consultants had no significant impact on management consulting success” (Jang, Suh & Lee 1997, p. 179). Although offering no explanation for this particular finding, these researchers concluded that one of the most important determinants of the success of a consultancy project was the way the consultant and client related and interacted with one another, that is, the nature of the CCR. Given that the CCR is claimed to be a significant determinate of management consultancy success, little formal academic research has been undertaken to date on this topic, despite calls within both the consulting and academic literature for such research (e.g. Gable 1996, Lundberg 1994, Fullerton & West 1992).

Much of the consulting literature on the topic is based solely on the personal experiences of individual writers in their roles as management consultants (e.g. Kubr 1986, Block 1981). The overall approach of the literature can be described as normative in its orientations with much of the emphasis being on prescribing what a successful CCR should resemble. Because of this orientation, that is, a focus only on the successful
or ideal forms of the CCR, the literature as a whole is limited and uninformed on the
dynamics, characteristics and dimensions of the key aspects of CCRs.

The recurrent use of the term ‘successful’ in the management consulting literature to
describe the CCR as well as the outcomes of individual consultancy projects warrants
some clarification. Empirical studies aimed at identifying the basis of success in
management consulting projects (Jang, Suh & Lee 1997, Gable 1996) have proved how
elusive and subjective a definition of this term can be. As Gable (1996) argues, a
distinction needs to be drawn between the “results” of a consultancy and the
“...satisfaction with the consultant’s performance at arriving at those results (the
process)” (Gable 1996, p. 1176). Acknowledging Gable’s points, the term ‘success’,
when applied to the CCR, is interpreted as applying to the client’s perceived satisfaction
with the consulting process, as opposed to the value to the enterprise of a consultant’s
final recommendations. By adopting this use of the term, the study focuses on the
interaction of the consultant and client, how they relate to each other and their personal
perceptions of the CCR, rather than on the value of a consultant’s recommendations to
the enterprise per se. As the stories of Joe and Clive suggest, satisfaction with the CCR
appears to be a determining factor in the decision to implement a consultant’s
recommendations, and it is only once implemented that the value of a consultant’s
recommendations can be judged (Gable 1996). In other words, this study focuses on the
CCR because perceptions of its success appear to be a necessary pre-cursor to the
implementation and subsequent judgement of a consultant’s recommendations.

As already stated, within the consulting literature, the CCR is generally approached
from one of two perspectives. Some writers limit their approach and accompanying
discussion of the CCR to the ‘roles’ the consultant may need to play during a consultancy (Bork et al. 1996, Kubr 1986). This approach seems to have borrowed heavily from the functionalist sociology literature that use the concept of ‘social roles’ as a means of analysing group and social interaction (e.g. Vaughan & Hogg 1995, Sears, Peplau, Freedman & Taylor 1988). Other writers in the management consulting literature, (e.g. Clark 1995, Lundberg 1994, Clark 1989, Schein 1969, Tilles 1961), consider and describe the CCR with reference not only to the ‘roles’ played by both the consultant and the client, but also in terms of what ‘transactions’ may occur between the two parties. This is what Lundberg (1994) has labelled the “social – psychodynamic” or “transactional model” (Lundberg 1994, p. 4) perspective of the CCR. These two approaches to the CCR, roles and transactions, are discussed next in order to explore their respective benefits and limitations in understanding the nature of the CCR.

THE ROLE APPROACH TO THE CCR

A typical example of the writers who adopt a ‘role’ perspective to describing and discussing the CCR is Kubr (1986), a writer whose work is often cited in the management consulting literature. Kubr (1986) devotes a chapter of his book to the CCR. In the introduction to this chapter, Kubr emphasises the importance of the CCR by claiming that many consultancy projects fail because “an effective consultant – client relationship” (Kubr 1986, p. 39) has neither been created nor maintained.

Considering that Kubr describes the purpose of his book as providing “guidance…to individuals and organisations wishing to start or improve consulting activities”, readers might expect Kubr to proceed to describing how an “effective consultant – client
relationship" (Kubr 1986, p. xiii) might be achieved, or failing this, what the essential characteristics and features of the relationship might be. Instead, Kubr lists ten different roles for a consultant, labelled as, “resource role”, “process role”, “advocate role”, “technical expert role”, “trainer and educator role”, “collaborator role”, “alternative identifier role”, “fact finder role”, “process specialist role” and finally the “reflector role” (Kubr 1986, p. 40).

The roles that Kubr (1986) lists are not derived from academic research but rather stem from his personal experience as a practising consultant. Kubr does not differentiate between which, if any, roles may have more relevance in the way a management consultant functions in a SME as opposed to a large national or multi-national enterprise. The discussion that accompanies each of Kubr’s roles involves a description of the type of work involved in each role and the related function of the consultant. For example, in discussing the “fact finder role”, Kubr describes “the consultant functioning basically as a researcher” in a process of “gathering and examining data” (Kubr 1986, p. 48). In describing just the work and function of a consultant, Kubr provides no insight into the nature of the CCR that accompanies each role.

Another writer who describes the CCR in terms of the roles that a consultant may act in is Block (1981), who lists three roles for the consultant, as opposed to Kubr’s (1986) ten roles. The three roles Block (1981, p. 18) identifies are:

1. “Expert role” – described by Block (1981) as a consulting process that is generally directed toward the solution of a specific problem in which the consultant is engaged on the basis of their expertise to make decisions, as opposed to just providing input into a decision-making process.
2. "Pair of hands role" – in which the consultant responds to the client’s requests and does not question or challenge the client in any way. The consultant is engaged simply to assist the client and not necessarily draw on any expert knowledge or skill they might possess as it is assumed within this form of CCR that the client already holds this expertise themselves.

3. "Collaborative role" – where the consultant is described as not solving a problem for a client but rather, as applying "their special skills to help managers [clients] solve problems" (Block 1981, p. 21). This role perceives the consultant as being capable and willing of passing on their knowledge to the client through some form of learning process. The role of the client in this learning process is not elaborated on by Block (1981).

Block claims that it is the consultant who chooses which role they will function in, a choice that depends on “…individual differences in management style, the nature of the task and the consultant’s own preference” (Block 1981, p. 18).

In general, the role perspective on the CCR is helpful in providing some insight into the way consultants may need to ‘act’ in various situations. However, the ‘role’ perspective does not explain the nature of the interaction between a consultant and client, and it depicts the consultant as the dominant, controlling influence both in the consultancy process itself and in the CCR.

It may be possible to categorise the role played by the consultant Hugh (Clive’s consultant described in the Introduction), as the “expert role” described by Block (1981) or the “technical expert role” described by Kubr (1986), both terms essentially the same.
In this model of the CCR, the consultant is engaged simply because of their perceived expertise and act to take “control” (Block 1981, p. 19) of not only the CCR but also the implementation of recommendations. In this view of the CCR, Block (1981) suggests that the client is not likely to “question” the consultant because “…it would be difficult for the manager [client] to challenge ‘expert’ reasoning” (Block 1981, p. 19). In the case of Clive, it could be suggested that he appears to be acquiescing to the expertise of Hugh the consultant and, as such, is unwilling to challenge Hugh’s recommendations. However, the role perspective fails to explain what forms the basis of Clive’s perception of Hugh’s expertise, and is expertise alone driving Clive’s lack of questioning and blind faith in Hugh?

In contrast to the case of Clive and Hugh, it is difficult to attempt a categorisation of the CCR between Joe and the consultants using the typology suggested by either Kubr (1986) or Block (1981). In this case, the role approach to the CCR does not adequately account for the reluctance exhibited by Joe to accept the recommendations of the consultants nor does it describe the nature of the relationship between Joe and the consultants.

Although the role approach to the CCR does not provide insight into the nature of the interaction between consultant and client, the particular ‘role’ played by a consultant might be a factor in determining the nature of a CCR as it can influence, or reflect, the client’s view of the consultant.
THE TRANSACTIONAL MODEL APPROACH TO THE CCR

An alternative approach for discussing the CCR in the management consulting literature is to consider it in terms of the ‘transaction’ that takes place between a consultant and client. An advantage of this approach over the ‘role’ one is that the involvement of both the consultant and the client is taken into consideration. As a result, a series of ‘transactional models’ of the relationship have been proposed by various writers.

One of the earlier writers to adopt a transactional model approach in the consulting literature was Tilles (1961). He categorises the CCR into one of four models, the “purchase – sale”, “flow of information”, “doctor patient” and “constructive” (Tilles 1961, p. 88) models. Tilles bases his models on research from a twelve month survey of executives in small manufacturing firms who had used consultants. Tilles claims that his models describe how these executives “…think about their relationship with a consultant” (Tilles 1961, p. 88). As such, this model provides a conceptualisation of the CCR from the client’s viewpoint, a perspective ignored in much of the normatively oriented literature.

Tilles’s approach has been used repeatedly as the preferred method by transactional theorists on the topic (e.g. Clark 1995, Lundberg 1994, Schein 1969). In the thirty-eight years since Tilles first introduced his four models, they have been reduced to three widely accepted generic models of the CCR (Lundberg 1994). These three models are the “purchase – sale”, also labelled as the “expert supplier” (Lundberg 1994, p. 5) and “purchase of expertise model” (Clark 1995, p. 47); the “doctor – patient model”; and the “constructive relationship model”, also labelled as the “process consultation model”
(Schein 1969, p. 9) or the “facilitator model” (Lundberg 1994, p. 5). According to Tilles, the purchase - sale model is the most common way executives view the CCR. In this model, the relationship represents a basic buyer – seller relationship in which the client is purchasing information from the consultant in their role as ‘expert’. Tilles emphasises the point that this transaction is straightforward and, according to Tilles, involves no “personal thing” (Tilles 1961, p. 89). That is, the client is considered to act in the consultancy process merely as a passive buyer of data and information.

In the doctor – patient model, the consultant is described as resembling a doctor called on by the client (patient) to both diagnose the cause of a problem and then recommend an appropriate remedy. In this model, the consultant again takes on the role of ‘expert’ assigned the function of arriving at a diagnosis and remedy. The danger of such an arrangement, as Tilles points out, is that in many cases the diagnosis and remedy may not be the same as that perceived by the client, which can lead to dissatisfaction on the part of the client in the outcome.

The final model of the CCR, which Tilles (1961) labels the constructive relationship model, involves the consultant and client working jointly at both identifying and developing solutions to organisational problems. According to Schein, the aim of the consultant is to “pass on the skills of how to diagnose and fix organisational problems” (Tilles 1969, p. 11). Not only are the consultant and client described as being willing and able to work collaboratively, but as a result, some form of knowledge transfer and learning is expected to transpire as a result of this collaboration. For some theorists (Tilles 1961, Schein 1969), this form of the CCR is potentially the most successful form of the relationship, in terms of each party’s satisfaction with the CCR and in achieving a
consultancy’s pre-determined goals. These theorists suggest this is because the consultant and client are portrayed as peers working together in a collaborative manner to arrive at a common understanding of both problem and solution.

The table that follows, (Table 1.1) highlights the differences between the three transactional models. In this Table, the three transactional models are compared in terms of the following: how the literature regards the status of the consultant compared to the client; the status of the client; the orientation of the consultant’s perceived expertise; the primary value of the consultant; and the work function of the consultant in each type of transaction. Table 1.1 highlights the distinct differences between each of the three transactional models.

Table 1.1. A Comparison of the Major Transactional Models.

<table>
<thead>
<tr>
<th>Comparison Dimension</th>
<th>Purchase – Sale Model</th>
<th>Doctor – Patient Model</th>
<th>Constructive Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant Status</td>
<td>Servant</td>
<td>Superior</td>
<td>Peer</td>
</tr>
<tr>
<td>Client Status</td>
<td>Passive buyer</td>
<td>Passive recipient</td>
<td>Peer</td>
</tr>
<tr>
<td>Orientation of Consultant</td>
<td>Knowledgable</td>
<td>Powerful and Knowing</td>
<td>Skilful</td>
</tr>
<tr>
<td>Primary Value</td>
<td>Technical, rational efficiency</td>
<td>Economic effectiveness</td>
<td>Humanistic</td>
</tr>
<tr>
<td>Work Function of Consultant</td>
<td>System or structural redesign</td>
<td>Problem diagnosis and solution recommendation</td>
<td>Change and teaching</td>
</tr>
</tbody>
</table>

(Adapted from Lundberg 1994, p. 5)
The transactional model approach to the CCR advances the 'role' approach of Kubr (1986) and Block (1981) by considering the roles of both the consultant and the client. The transactional models also highlight that the management consultancy process is an interactive one between the consultant and client, in which the nature of this interaction can take different forms.

To some extent, the transactional model appears similar to the ‘social exchange theory’ of interpersonal relationships described by the sociologist Homans in the early 1960’s. Homans suggested that all relationships can be explained and described in terms of the costs and rewards and type of exchange that take place in the relationship. The ‘social exchange theory’ is not without its critics, with the arguments used against this theory similar to those offered against the transactional model perspective of the CCR. The essential argument against the transactional model approach is that as informative as this approach to the CCR is in acknowledging the interaction between a consultant and client, it does not adequately provide for an understanding or explanation of the nature of the interaction. For example, the model does not assist in explaining why Joe talks about “losing confidence” in the consultants and why his “attitude” appears to have changed during the course of the consultancy. Similarly, the model does not explain if or how the friendship exhibited between Clive and Hugh might contribute to Clive’s willingness to implement all of Hugh’s recommendations without substantial questioning of their value or merit to the business.

Clark (1995) is a strong critic of the transactional model approach; he not only notes the lack of emphasis placed on the nature of the interaction between the consultant and client, but is also critical of the inherently rationalistic nature of the models. He argues
that the transactional models are based on “rationalistic, utilitarian, formalistic and hard-headed assumptions…yet the actual nature and focus of much consultancy work deliberately opposes these values” (Clark 1995, p. 92). This conflict between the rational portrayal of consultancy work in the literature and its apparent undisciplined reality, Sturdy (1997) has described as an “interactive and dialectical process” (Sturdy 1997, p. 390) – a process he claims is best explained by a focus on the interactions between a consultant and client. In other words, the essentially rationalistic and process oriented approach of the various transactional models does not provide either a description of the various aspects of the CCR or a comprehensive basis for understanding the reasons for the outcomes of some consultancy projects. For example, none of the transactional models accounts for the actions of Joe in rejecting the consultant’s recommendations or explains why he chooses to label all consultants as “useless”, yet continues to engage consultants on a regular basis. Similarly, the transactional model approach to the CCR does not help in understanding what it is that allows Hugh to make recommendations to Clive that he then endorses without any significant level of examination of their potential effects, both positive and negative.

The transactional model approach is embedded in the concept of social interaction yet steers clear of identifying explicitly what the important aspects of this interaction might be, such as trust or power. Without an appreciation of these various aspects, there appears an insufficient framework for understanding or accounting for how CCRs are formed and evolve during a consultancy or for explaining the impact of the CCR on the outcomes of some consultancies.
RECONCEPTUALISING THE CCR

As stated earlier, the 'role' and 'transactional model' approaches to describing and discussing the CCR are the most widely adopted by writers and theorists in the management consulting literature. In both of these approaches, the focus is primarily on the function of the consultant in the relationship, or alternatively the nature of the transactions that occur. By attempting to understand the interaction that occurs between a consultant and client, it may be possible to explain why Clive places so much faith in Hugh's advice and why Joe rejects the recommendations of the consultants that he engages on a regular basis. Perhaps a factor in Joe's rejection of the consultant's recommendations is a perception that the consultants have too much power? Might the fact Clive and Hugh share a common interest in boats and sailing be a factor in why Clive appears willing to place so much faith in Hugh's advice?

There might be numerous reasons why the literature does not elaborate in detail on the interaction that occurs between a consultant and client. McGivern (1983) suggests that:

most writers...consider the relationship between the consultant
and client to be almost entirely a matter of 'chemistry' and
therefore not susceptible to any serious attempts by an individual to change...people either get on or they do not (McGivern 1983, p. 368).

In a similar argument, Lipton suggests that the issue of interaction within the CCR is avoided both in the literature and in consultancies because it is "safer [for consultants] to avoid arousing psychologically disturbing...reactions" (Lipton 1995, p. 28). In other words, it is far simpler to avoid the issue of interaction altogether, both in the literature
and in actual consultancy projects, as it may open some form of ‘Pandora’s Box’ over which the consultant may have neither control nor an explanation.

There is a small group of writers who do attempt to examine the issue of how management consultants should structure their relationships with clients. However, they tackle the subject in terms of the interpersonal ‘skills’ required by the consultant (e.g., Torbett 1976, Swartz & Lippett 1975, Argyris & Schón 1974). The work of these writers focuses primarily on how the consultant can improve their interpersonal skills. These writers are not concerned with an examination of the CCR per se, only the ‘skills’ they consider are required to influence the CCR. The approach of these writers reinforces a stereotype throughout the literature that asserts, firstly, creating and maintaining the CCR is essentially a rational process and secondly, control of the relationship is at all times in the sole domain of the consultant.

By identifying and exploring what might be important aspects of the CCR, in terms of social interactions, a greater understanding might be gained of the nature of the relationship, its impact on a client’s decision to adopt a consultant’s recommendations as well as how they judge the success of a consultancy project. However, it would be misleading to suggest that there is a complete absence of reference in the management consulting literature to the social interaction between a consultant and client. Words frequently associated with describing relationships, and the individuals in those relationships, such as ‘trust’, ‘authority’, ‘commitment’, ‘respect’, ‘power’, ‘dependency’, ‘empathy’ and so on can all be found scattered throughout the management consulting literature (e.g., Schuyt & Schuijt 1998, Bobrow 1998, Lipton 1995, Lundberg 1994, Covin & Fisher 1991). However, they are used in a tacit manner,
that is, they are not used to explain or describe the CCR in a discussion about its various aspects, but rather as taken for granted or accepted norms. The consulting literature has only a limited view of the social interaction that occurs during a consultancy project since it only views the CCR from the perspective of the consultant and considers how the various aspects of the CCR should operate not how they operate. Subsequently, the literature does not lead to a clear understanding as to how the CCR might influence the outcomes of a consultancy project.

As suggested previously, an explanation as to why the literature uses such terms as ‘trust’, ‘power’, ‘commitment’ and so on in such a tacit manner might be found in the argument of McGivern (1983) that theorists and writers believe that there is little to be gained from dwelling on these elements as they are beyond an individual’s control or influence; put simply they ‘just are’. Perhaps the theorists and writers referred to by McGivern (1983) are correct, that is, the CCR cannot be consciously influenced in any way, a view that seems in contrast to arguments by Argyris and Schön (1974) or Swartz and Lippitt (1975) on how a consultant might improve their abilities and skills to manage their relationships with clients. However, by avoiding a discussion of the CCR, writers may be ignoring an important approach that can aid an understanding of the outcomes of consultancy projects. A discussion on the nature of consultant – client interactions may also provide insights into the personal qualities and skills required by management consultants to construct and sustain a CCR throughout the changing circumstances of a management consulting project. Therefore, in this study the focus of analysis for the CCR are the various aspects of the consultant – client interactions that sustain and help explain the nature of the CCR. These include trust, power and the creation of a comfort zone.
TRUST

Within the management consulting literature one word clearly stands out for its repeated use in describing the CCR, that is, 'trust' (e.g. Lipton 1995, Stroh 1987, McGivern 1983, Block 1981). It seems an accepted notion that 'trust' is one of, if not the, most important interactional aspect of a CCR. It is frequently used in the literature as a means of describing the 'ideal' CCR. For example, Bork et al. inform consultants that it is “important to create a trusting relationship” (Bork et al. 1996, p. 19). Similarly, McGivern argues that “the need for trust” (McGivern 1983, p. 369) is an essential requisite for a successful consulting relationship. Continuing along the same theme, Lipton believes that the “ultimate goal” of the consulting relationship is to “create a climate of openness, trust and clarity” (Lipton 1995, p. 27).

Despite the stated importance of trust, the consulting literature lacks an in-depth or enlightening discussion of the concept. Norelli (1998) is typical of how trust is discussed in the consulting literature. Norelli’s basic argument is that trust is either present or not present in a relationship and “there is little that you can do to force the issue” (Norelli 1998, p. 39). In other words, “the requisite nods to trust” are given in the literature “but the nature of trust is left unanalysed, as if no analysis were needed” (Flores & Solomon 1998, p. 207). Gambetta (cited in Robinson 1996) sums up this approach to trust by claiming that:

scholars tend to mention [trust] in passing, to allude to it as a fundamental ingredient or lubricant, an unavoidable dimension of social interaction, only to move on to deal with less intractable matters (Gambetta cited in Robinson 1996, p. 575).
Since the concept of trust is considered so important in the CCR, it may be possible to identify, through an exploration of the concept of trust, a range of important CCR aspects that underlie both the establishment of trust and the CCR itself. For an understanding of what these other aspects might be, and how 'trust' may operate in the context of the CCR, it is necessary to turn to the broader management literature as well as the sociology and psychology literature.

The Concept of Trust

Within the sociology and psychology literature are found several theorists and writers who have made tentative attempts to define the concept of trust. For example, Bradach and Eccles, define trust as:

an exception that alleviates the fear that one's exchange partner will act opportunistically. Opportunism refers to the incomplete or distorted disclosure of information, especially to calculated efforts to mislead, distort, disguise, obfuscate or otherwise confuse (Bradach & Eccles cited in Smeltzer 1997, p. 42).

Lyons and Mehta define trust in similar terms to that of Braddach and Eccles, they consider trust as the:

behavioural risk experienced by one party when he or she is uncertain about the behaviour of the other as it may materially affect him or her, and when such exposure is a matter of common knowledge between the parties (Lyons & Mehta 1997, p. 240).
What can be learned from these formal definitions of trust is that the concept has two complementary sides, i.e. risk taking and avoiding opportunism. To be labelled as ‘trustworthy’ requires a party to refrain from ‘opportunistic behaviour’, that is, deliberately misleading behaviour designed to benefit one party over another (Lyons & Mehta 1997). On the other hand, to trust some party requires making oneself vulnerable to some type of ‘risk’, for example, a potential loss of control or power over a situation.

Mayer, Davis and Schoorman (1995) elaborate further on the link between risk and trust by proposing that in a relationship “the level of trust is compared to the level of perceived risk in a situation” (Mayer, Davis & Schoorman 1995, p. 720). In assessing the risk involved in a situation, consideration is given to the likely outcomes, both positive and negative, that might eventuate and the potential net gain to be made. Applying this argument to a management consultancy project, whether or not a consultant’s recommendations are implemented might depend on (1) the client’s perception of risk in adopting the recommendations, (2) their preparedness to make themselves vulnerable to this risk and (3) the level of trust they have for the consultant as a result of the relationship they have. In other words, in a consultancy project, risk is likely to relate to factors both within and outside the CCR itself.

**Fragile and Resilient Forms of Trust**

A more complex view of the concept of trust is proposed by Ring and Van de Ven (1994). Their argument incorporates the notion that actors in a transaction will act in opportunistic ways, not might act in such ways. They distinguish between two forms of trust, what they label ‘fragile trust’ and ‘resilient trust’. Fragile trust assumes people involved in an economic exchange will act in an opportunistic fashion, but argues
contracts and/or other formal mechanisms will act to limit or prevent this form of behaviour providing both parties to a transaction with confidence in the expected outcomes. It is argued that this form of trust permits "economic actors to deal with each other, but only in guarded ways" (Ring 1997, p. 120). Ring and Van de Ven (1994) suggest that this form of trust is often associated with the early stages of a relationship and can be built on to develop a second form of trust, what they term 'resilient trust'.

However, resilient trust differs from fragile trust in that it is based not on confidence in the outcome of an economic transaction but rather the moral integrity or goodwill of the other individual. As such, resilient trust is linked to "social exchanges" (Ring 1997, p. 115), what is interpreted as the creation of obligations and reciprocal expectations and develops over time as actors come to know one another and transactions are completed successfully with "norms of equity and reciprocity" (Ring 1997, p. 128) becoming established. Resilient trust is considered a stronger form of trust than fragile trust in that it can survive the occasional incident in which an actor fails to meet the expectations of the other. Ring (1997) argues that as more transactions between actors are successfully completed they will rely more on resilient trust in their future transactions.

However, de Laat (1997) is not convinced of the inevitability of an "upward spiral" (de Laat 1997, p. 163) of trust that incorporates a move from fragile to totally resilient trust. De Laat argues that in an economic transaction there are likely to be signs of both fragile and resilient trust, that is, the use of contracts and moral obligation to protect against opportunistic behaviour. De Laat also argues that as time progresses, if trust continues to be based predominantly on formal contracts, opportunistic behaviour becomes encouraged and a "spiral of rising distrust" (de Laat 1997, p. 169) results. To
avoid this, de Laat proposes the need for the creation of what he terms “credible commitments”, tangible signs of commitment to an individual or exchange. Once credible commitments are established the exchange becomes “imbued with moral significance” (de Laat 1997, p. 169), resilient trust is established, and only then does an upward spiral of trust begin.

The argument that resilient trust is dependent on moral obligation and commitment, as opposed to any formal or legal contract, suggests that in a resilient trust-based relationship there may exist a ‘psychological contract’. That is, “an unwritten and often largely unverbalised set of expectations and assumptions about the obligations” (Fulop & Linstead 1999, p. 283) of each party to the relationship. Inherent in the concept of ‘obligation’ are perceptions of reciprocity, equity and fair dealings in that each party in a resilient trust-based relationship can be expected to both give and receive equitably, not necessarily equally, without reservation thus, creating a stable platform for the exchange of such commodities as information and knowledge (Ring 1997).

It is important in linking psychological contracts with the concept of resilient trust to acknowledge that the literature distinguishes between two types of psychological contracts, those that are transactional in nature and those that are largely relational (Fulop & Linstead 1999, Morrison & Robinson 1997). The transactional contract has as its focus “specific, short term, and monetarised obligations entailing limited involvement of the parties” (Morrison & Robinson 1997, p. 229). Relational contracts can be considered as lying at the opposite end of a continuum and in contrast are based not only on “monetizable elements...but also socio-emotional elements such as loyalty” (Morrison & Robinson 1997, p. 229). Accordingly, it is the relational form of a
psychological contract that can be expected to be most linked to the establishment of resilient trust in a CCR.

Formal definitions and the recognition of trust as having different forms, however, have limited value to this study since they do not explain how trust may be observed to be built and sustained in a CCR. It is not sufficient to simply state that in the story of Joe there appears an absence of trust between Joe and the consultants, because Joe was not prepared to take any form of ‘risk’, even though this may have been the case. To attempt a detailed explanation of Joe’s behaviour requires an understanding of what creates trust in a CCR. It may be argued that in the story of the boatbuilder Clive, for example, what allows Clive to trust Hugh to such a large extent is the growth in his perception of Hugh’s ‘expertise’ or ‘credibility’.

Trust, Expertise and Credibility

Bashein and Markus, in a discussion of the relationship between IT consultants and their clients, argue that perceptions of technical expertise or competence alone do not generate trust. These writers argue that many IT clients do “not ‘credit’ [a consultant’s] expertise until the latter has established trustworthiness. Conversely, trust does not convey credibility” (Bashein & Markus 1997, p. 40). This argument is supported in the literature by studies conducted by Hovland, Janis and Kelley (cited in Mayer et al. 1995), who concluded that credibility was influenced by two factors, namely expertise and trustworthiness. In other words, perceptions of a consultant’s credibility are likely to depend on both their technical expertise and the establishment of their trustworthiness. Similarly, because a client expresses confidence in the technical
capabilities of a management consultant does not automatically imply a trusting relationship exists between the consultant and the client.

It is important to emphasise at this point, trust encompasses a different set of constructs to such terms as ‘confidence’ and ‘cooperation’. Mayer et al. (1995) clearly distinguishes these terms from the term ‘trust’ by arguing that none of the actions that may be associated with confidence or cooperation need involve any “willingness to take risk” (Mayer et al. 1995, p. 711), what they regard as a distinguishing characteristic of the concept of trust. This differentiation of terms is important for this study, since a client may indicate confidence in a consultant’s technical expertise or a willingness to cooperate with a consultant, signs that should not be interpreted as implying the establishment of trust.

The work of Bashein and Markus (1997) indicates that trust does not precede a relationship simply because of an individual’s stated technical expertise. Trust is an attitude or emotion that is generated through the process of forming and sustaining a relationship; it is a product of the interaction. As Bashein and Markus suggest, this may prove to be a surprise for many consultants who perceive the establishment of trust in a CCR as being a spontaneous and natural outcome of their ‘expertise’.

Hardy, Phillips and Lawrence (1996) provide a useful insight that may assist in generating an explanation as to why acknowledgment of a consultant’s technical expertise might follow the establishment of trust rather than precede it. In Hardy et al.’s (1996) argument, trust does not arise spontaneously but rather is embedded in the process of communication through which “shared meanings” (Hardy et al. 1996, p. 9)
develop. Such shared meanings are used by parties to a relationship to "signal trust and trustworthiness to each other" (Hardy et al. 1996, p. 9). In other words, trust is dependent on the generation of shared sense making and a common view of reality. In Hardy et al.'s (1996) view, the establishment of shared meaning is a first step in building trust. In such a model of the establishment of trust, communication and the development of shared meanings might be regarded by the trustor as more important initial factors in the process than technical expertise.

Bashein and Markus (1997) support this argument by suggesting that in some circumstances technical competence leads to an over use of technical terms and language that can act as a barrier to communication. Citing IT consultants as an example, they argue that the "acronym laden jargon that only techno-geeks can understand" (Bashein & Markus 1997, p. 39) frequently acts as a barrier to communication between a consultant and client preventing the establishment of common understanding between the two parties and so acts as an inhibitor to the establishment of trust.

If, as the preceding discussion indicates, technical expertise is not the origin of trust in a CCR, what is? What aspects of the CCR (1) facilitate establishment of shared meaning in the case of Hardy et al.'s (1996) view of trust or (2) lead to fragile or resilient trust being established if Ring and Van deVen's (1994) conceptualisation of trust is adopted?

**The Origin of Trust in a CCR**

According to Bashein and Markus (1997) in a CCR, four sources lead to the creation of trust, what they label; (1) “similarity and likability” (2) “prolonged interaction” (3)
“appropriate behaviour” and (4) “consistent behaviour” (Bashein & Markus 1997, p. 39). In the argument that Bashein and Markus make in support of each of these four sources can be seen emerging similar concepts as to the origins of trust proposed by other theorists on the subject.

The argument that ‘similarity and likability’ is a source of trust is based on the premise that people trust people whom they like, people with similar personal interests and language whom they respect and accept. The social psychology literature would refer to this concept as “affiliation” (Vaughan & Hogg 1995, p. 264), whilst in the feminist literature it is referred to as the “comfort syndrome” (Margretta 1997, p. 19), and in the management consulting literature it is on occasions referred to as the “comfort zone” (Bushko & Raynor 1998, p. 67).

The origins of trust that Bashein and Markus label “appropriate behaviour” and “consistent behaviour” accepts that trust is dependent on both parties in a relationship refraining from “opportunistic behaviour”. In terms of a CCR, this form of behaviour is most often associated with the complementary issues of power and dependency (Sturdy 1997, Lipton 1995, Frost, Stimpson & Maughan 1978), which are discussed in detail later in this chapter. Hardy et al. (1996) emphasise the importance of power in the formation of trust by claiming that “power is, in fact, a functional equivalent of trust” (Hardy et al. 1996, p. 4). Hardy et al. attempt to bring power to “centre stage” by arguing that “trust involves moves by participants to create reciprocity and equity between them” (Hardy et al. 1996, p. 9). In other words, trust involves a process of creating balance between the notions of power and dependency within a relationship.
The final source of trust according to Bashein and Markus is based on the argument that trust takes time to develop and is cumulative and so 'prolonged interaction' is an essential source of trust. However, the argument surrounding 'prolonged interaction' involves more than just the simple assumption that trust develops if given sufficient time. Trust, it is argued in the literature (Fox cited in Sturdy 1997), is created over time only as signs of loyalty and commitment emerge and become recognised by both parties in the relationship. This is a similar argument to that advanced by Ring (1997) regarding the establishment of resilient trust. However, it should also be noted, that as de Laat (1997) and Buttery and Buttery (1994) argue, in some cases, prolonged interaction characterised by a lack of commitment and loyalty can lead to distrust.

As stated earlier, the four sources of trust proposed by Bashein and Markus contain similar concepts to those put forward by other writers on the subject from the general management and social psychology literature (e.g., Flores & Solomon 1998, Lyons & Mehta 1997, Smeltzer 1997, Robinson 1996, Frost, Stimpson & Maughan 1978). This is despite each writer using a different label to describe what they seem to define as similar concepts. For example, Smeltzer (1997) uses the label “mutual respect” (Smeltzer 1997, p. 43) for what Bashein and Markus label “similarity and likability”.

What can be gained from this discussion of trust is that it involves notions of risk and vulnerability and is unlikely to be established as the result of a spontaneous event nor is it likely to be dependent solely on perceptions of expertise. Rather, trust in a CCR is likely to develop over time as signs of commitment, reciprocity and moral obligation emerge within a CCR. It is also notable that the origins of trust appear to share dimensions and characteristics that are discussed in this study under the labels of
'power' and the 'comfort zone'. This may not appear as a surprise since the concept of trust is regarded as so important in the CCR and trust is considered in the literature as an outcome or product of the interaction within a relationship (Flores & Solomon 1998, Bashein & Markus 1997, Hardy et al. 1996, Frost, Stimpson & Maughan 1978). The remainder of this chapter is devoted to a discussion of power and the comfort zone, including an interpretation of how they might operate in the CCRs of Joe and Clive described in the Introduction to this thesis.

**POWER**

The consultant Hugh appears capable of exerting a considerable level of influence over Clive, as seen in the way Clive says he readily instigates Hugh's recommendations. This ability "to exact compliance to one's wishes" is labelled in the social psychology literature as "social power" (McCall 1970, p. 13). It can also be argued that Clive's behaviour is one of dependency on Hugh and his advice. In other words, there is a respondent link in the relationship between the concepts of social power and dependency, a link suggested by Emerson (1964) who argued that the concept of social power resides solely in another individual's dependency.

McCall (1970) argues that in a relationship, both parties have some degree of social power and both are dependent to some degree. However, in much of the management consulting literature, the power is frequently portrayed as residing in the hands of the consultant and dependency is the assumed fate of the client (e.g. Clark 1995, Block 1981, Schein 1969).
An explanation for this stereotypical view can perhaps be found in what is labelled the "principle of least interest" (Sears, Peplau, Freedman & Taylor 1988, p. 262). According to this principle, the party with the least to lose is potentially the more powerful. Since the client is the party, in a CCR, who has sought out the consultant for a particular purpose, and is paying for the consultancy, they might be regarded as having the greatest interest in the relationship and therefore are the most dependent. This view, that power and dependency are linked to exchanges that take place between different parties in a relationship, forms the basis of a pluralist model of power (Fulop, Linstead & Frith 1999). The emphasis in such a model is that the influence of one party over another is not dependent on authority *per se*, but rather, the exchanges that take place between each party, exchanges that involve the acquisition of 'resources'. In the CCR, it may be argued that, in many cases, the consultant appears to hold the 'most' valued resources - their knowledge and expertise (Lipton 1995).

*Knowledge and Expertise as the Basis of Power in a CCR*

The use of knowledge and expertise as a basis for social power has been suggested by French and Raven (1959). In their model of social power they identify five forms; 'information'; 'referent; 'legitimate'; 'reward and coercive' and 'expert' power. Of these, the most relevant form of power to the CCR appears to be 'expert' power. This term refers to social power that stems from a person’s ability to demonstrate a special expertise. French and Raven (1959) argue that expert power can influence people’s beliefs and attitudes and change the behaviour to that desired by another party. Since consultants promote their value, rightly or wrongly, on the basis of their greater knowledge and expertise, this form of power may be quite common within most CCRs.
Lipton (1995) sees the concept of 'expert power' as a manipulative tool "many consultants use to gain credibility and be effective" (Lipton 1995, p. 29). As a result, Lipton argues consultants deliberately create in clients an "inherent dependency" by becoming viewed within the CCR as the "authority" (Lipton 1995, p. 29). It is of note that the questionable ethics of this possible practice is a subject that some authors (e.g., O'Shea & Madigan 1998, Micklethwait & Wooldridge 1996) have seized upon to cast negative assertions on the entire consulting industry. The outcomes of such a scenario seem apparent in the relationship that exists between Clive and Hugh. Clive refers to Hugh as the "expert". In other words, he has achieved, in a sense "expert status" (Rifkin 1997, p. 31) and as a result there appears to be a high level of dependency by Clive on Hugh's recommendations. The issues of power and dependency in CCRs, such as that between Clive and Hugh, raise the question of is there an 'ideal' balance of power and dependency in a CCR and the corollary question, from whose perspective is this 'ideal' viewed?

**Balance of Power within a CCR**

It was noted earlier in this Chapter that many writers in the management consulting literature perceive the 'successful' CCR as being one where both parties are regarded as equals, as it is argued this leads to a collaborative relationship that in turn has the greatest chance of leading to consultancy success (Block 1981, Schein 1969, Tilles 1961). Lipton (1995) suggests that when power and dependency are not in some form of equilibrium they work against a collaborative relationship. Of particular note in Lipton's (1995, p. 27) argument is his statement that power and dependency are the forces that influence the "quality of exchanges that move... between the two parties" (Lipton 1995, p. 27) in a CCR.
Similarly, McGivern (1983) points out that “the successful consulting relationship” requires that power and dependency be “both mutual and in balance” (McGivern 1983, p. 368) and that if power and dependency are not in “balance”, then as Lipton argues, the exchanges between a consultant and client will suffer. Associated with the use of the term ‘balance’ is the suggestion that neither the consultant nor client perceives that their position in a CCR is anything other than equal (Lipton 1995, McGivern 1983). If, as McGivern suggests, the client perceives that the balance between power and dependency falls in favour of the consultant, then there is the risk that the client will withdraw co-operation “explicitly or covertly” (McGivern 1983, p. 368). McGivern (1983) goes on to suggest that the converse of this situation is also possible, that is, if power is perceived as favouring the client, then the consultant is likely to lack commitment or interest and withhold information and knowledge.

What can be concluded from this discussion on power, is that, power appears an important aspect of the CCR, but its dynamics and characteristics are not fully understood. It is not clear from the literature if power is a manipulative tool used by consultants to gain control over a client or if the client and consultant in a CCR each have power of some kind, as implied by writers such as McGivern (1983) who suggest that in “successful” CCRs power is in “balance” (McGivern 1983, p. 368). By exploring what the basis of a consultant and client’s power is in a CCR and the dynamics of this power, insight into why a consultant’s recommendations are rejected or why a consultancy is judged a failure might be possible. For example, in the case of Joe, the company accountant, Sue, suggested that he rejected the consultant’s recommendations because he likes to be “always in control...something the consultants threatened”. Why did Joe feel threatened? An exploration of power in this case might provide answers as
to why Joe rejected the consultant’s recommendations and labelled the project a “total failure”.

Another aspect of Joe’s case is the question, did he like the consultants he engaged? From his statement; “…came in here with their suits, using big fancy words”, it could be suggested he did not. Did Joe feel ‘comfortable’ with the consultants? These aspects of the CCR, the socio-emotional aspects, such as likability and similarity are now discussed.

‘COMFORT ZONE’

McGivern (1983) points out that consultants are “frequently told” that they must “cultivate” in themselves the characteristic of “likability” (McGivern 1983, p. 368). According to Lipton (1995), the reason that consultants must prove themselves to be “likeable” is because it is an essential pre-requisite in the creation of a “comfortable working relationship” (Lipton 1995, p. 29). Block (1981) continues this argument by claiming that consultants need to create a relationship in which both the consultant and client feel free to express their emotions and feelings. What is explicit in these arguments by McGivern (1983), Lipton (1995) and Block (1981) is firstly, the emotional aspects of a CCR cannot be ignored in an exploration of the CCR, and secondly, consultants and clients interact positively when they feel “comfortable”, that is, within what might be labelled a ‘comfort zone’.

The concept that both a consultant and client must have a sense of ‘comfort’ in their relationship through a feeling of ‘liking’ one another is also suggested by Argyris (cited
McGivern 1983, p. 368) who argues that if the client does not “like” a consultant then only a tentative form of trust can be established and so “information” important to the success of the consultancy may not be exchanged between the two parties.

The term ‘comfort zone’ has been deliberately selected for use in this study not only for its association with the notion of a ‘comfortable working relationship’, but also for its ties with what Magretta (1997, p. 20) labels the “comfort syndrome”, a term she uses to describe a range of emotions such as prejudice and aggressiveness that can affect interactions between men and women and can be connected to issues of gender bias. Similarly, in this study the term ‘comfort zone’ is used to acknowledge the potential for homo-sociability, that is, the potential for a consultant or client to identify with and interact more positively with a member of the same gender (McKnight & Sutton 1994).

Affiliative Behaviour

In the social psychology literature, the notion of likability is considered an integral part of the study of ‘affiliation’. In this literature, the concept of ‘affiliative behaviour’ refers to those characteristics that influence an individual’s willingness to interact with others and the desire for the resulting relationship to be perceived as ‘beneficial’ to all parties (Franzoi 1996, Vaughan & Hogg 1995, Gergen & Gergen 1981). A discussion of how affiliative behaviour might manifest itself in a CCR could provide a valuable understanding of how a comfort zone might exist within a CCR.

Affiliation involves more than just the study of the superficial sources of attraction between two or more individuals, such as personal appearance, geographic proximity or previous contact. However, it is accepted in the literature that these factors may
influence the formation of an *initial* impression, such as those that a consultant and client might form at a first meeting. The concept of affiliation is concerned not only with these forces but also the forces that sustain a relationship.

According to Gergen and Gergen there are two fundamental forces that determine the level of affiliation between two individuals and sustain that affiliation throughout a relationship, what they have termed “personal similarity” and “positive regard” (Gergen & Gergen 1981, p. 84).

Research indicates that the greater the number of personal similarities between individuals, the greater the attraction between the individuals will be (Vaughan & Hogg 1995, Gergen & Gergen 1981). The ‘similarities’ to which the literature refers are of a personal nature and cover such matters as opinions, likes and dislikes, style of relating, energy levels and so on. Two reasons for this phenomenon have been suggested, firstly, similarity may boost an individual’s self esteem and, secondly, people anticipate a more positive relationship if they perceive themselves as similar to the other party (Gergen & Gergen 1981).

The application of the logic that similarity boosts self esteem and is inherently associated with positive relationships can be imagined in some CCRs. If a management consultant displays and communicates opinions or attitudes similar to those of a client, then it is easy to imagine that the client’s self-esteem will be elevated and indeed the likability of the consultant will be possibly increased in the eyes of the client. Similarly, it is easy to imagine that a consultant and client share similar personal interests, for example, due to Clive and Hugh’s common interest in boats and sailing, they might
immediately share a sense of common bond and may therefore anticipate a close and comfortable working relationship.

Gergen and Gergen's second source of affiliation is what they label as 'positive regard', which is the power of attraction that can come from an "attentive gaze or words of support" (Gergen & Gergen 1981, p. 99). The notion of 'positive regard' is considered a significant factor in the concept of affiliation because without it, Gergen and Gergen (1981) claim, most people will feel insecure in a relationship.

Lipton (1995) alludes to the notion of 'positive regard' within the CCR when he describes how in a CCR there must be an exhibition of "empathy, genuineness and respect" (Lipton 1995, p. 30) by the consultant. In other words, if the client does not recognise any signs of 'real' interest or commitment in either themselves or the project, then their attitude to the consultant will not only be affected but also the quality of the consultancy will be affected. Conversely, if the consultant can see no signs of interest or commitment from a client, then this may also affect how they function in a consultancy project.

Although the preceding discussion has focussed on affiliative behaviour, as described in the social psychology literature, the use of the term 'comfort zone' in this study is intended to imply much more. The term, 'comfort zone', is used in this study to refer not only to such affiliative behaviour concepts as personal similarity and positive regard but also the broader socio-emotional aspects of the CCR, such as interest, empathy, genuineness and commitment. Although, as discussed previously, the consulting literature does not highlight the presence of these emotions within a CCR, they are
likely to be present since the CCR is embedded in a process of social interaction. The importance of these emotional aspects of the CCR become apparent when, as Ring (1997) suggests, trust, particularly resilient trust, is often associated with and dependent on such emotions.

CHAPTER SUMMARY

The literature review reveals that the CCR involves aspects that are neither clearly described in the current literature nor appear to be well understood, but aspects that nevertheless seem critical to the CCR. Three aspects of the CCR emerge from the literature as being particularly significant in determining the nature of a CCR and how it might impact on the outcomes of a consultancy – trust, power and the ‘comfort zone’.

Trust is regarded in the literature as the most important aspect of a CCR, yet little appears known of its basis or nature within a CCR. Depending on which theory of trust is adopted, the literature suggests that the establishment of trust is not a spontaneous event, nor is it likely to be dependent solely on a client’s perception of a consultant’s expertise. Rather, as Ring and Van de Ven (1994) suggest, trust can take the form of fragile trust and be based on formal safeguards that limit perceptions of risk and vulnerability, or develop over time and take the form of resilient trust and be based on signs of commitment, reciprocity and moral obligation. Considering these notions of trust, it might be possible to identify events or acts by a consultant or client, in the course of a consultancy project, that have either positively or negatively influenced the establishment of trust within a CCR. Such an examination of different events and actions, and a client’s perception of these, might assist in understanding not only how
trust is established in a CCR but also how trust might influence the adoption of a consultant's recommendations.

The second aspect of a CCR that emerged as potentially significant to an understanding of the CCR was power. The views of Lipton (1995), Clark (1995), McGivern (1983) and Block (1981) suggest that consultants and clients are conscious of the effects of power, and power in a CCR is principally the domain of the consultant. These assumptions lead theorists to make a number of assertions of how power operates within a CCR. The literature suggests that an 'ideal' level of power within the CCR is one in which both parties perceive power as being in 'balance'. The literature also suggests power is frequently used in a manipulative manner by consultants to create a sense of control and that a consultant's power comes from perceptions of their expertise. If these assertions are correct, then it is likely that perceptions of a consultant's expertise might prove an important factor in a client's decision to implement their recommendations.

The notion that clients and consultants will interact more positively if they function within a 'comfort zone', is another outcome of the literature review. Incorporated into this notion of a comfort zone are many socio-emotional aspects that might influence the working relationship of a consultant and client that include notions of likability and personal similarity. An exploration of the various socio-emotional aspects of a CCR, including homo-sociability, commitment and affiliative behaviour might help explain why some consultants and clients appear to interact more positively, appear so willing to adopt a consultant's recommendations and label a project a success.
It also emerges from the literature review that the three key aspects of trust, power and comfort zone might involve common dimensions and characteristics. That is, neither key aspect is likely to be perceived by the client in the CCR, the perspective on which this study focuses, as separate or isolated aspects of the CCR.

In the following chapter, the theoretical understanding of the CCR discussed in this chapter is used to develop a qualitative research design to explore the CCR in three case studies.
CHAPTER 2

RESEARCH DESIGN

INTRODUCTION

Trust, power and the comfort zone are explored in this thesis via three qualitative case studies. The study of three contrasting cases provides compelling evidence that the literature is potentially misinformed on how SME clients come to judge the success of a consultancy and decide to accept or reject a consultant's recommendations. Data is from interviews of business owners about critical incidents in the consultancy process resulting from a government sponsored program providing subsidies for the engagement of a consultant to assist in the preparation of business plans for their SMEs. A multiple-case study strategy permitted contrast among various contextual factors that can affect a CCR and a consultancy's outcomes. Each client had an opportunity, through multiple interviews, to express how they made sense of their interaction with the consultant.

This chapter begins by outlining how the haze surrounding much of the literature on the CCR and the assumption that consultants and clients can have different perceptions of a CCR lead to the selection of a qualitative research approach and a multiple-case study strategy. The chapter also describes how prior knowledge allowed the development of a case selection method based on conceptual grounds to be adopted in this study. The chapter proceeds to describe the methods by which data were collected and analysed to provide the study with a necessary degree of "trustworthiness" (Marshall, cited in
Silverman 1985). The chapter concludes by acknowledging several limitations of the study.

**THE CHOICE TO INTERVIEW CLIENTS**

A qualitative research method was chosen for this study because of the contested nature of much of the literature on the CCR. Theories are untested by formal and systematic empirical research, which means that many of the explanations, factors and key aspects of the CCR appear in need of qualitative definition at this stage. Factors identified within the literature may also be specific to certain situations and incorrect or misleading in others. In other words, this study is designed to be an exploratory one, the aim being to generate further insights and gain information on the CCR rather than an attempt at general theorising or the testing of explicit hypotheses. Yin (1994) suggests that in such circumstances any attempt to construct a quantitative research instrument that conformed to widely held notions of validity and reliability would be difficult.

Under circumstances where information on the research area is limited and exploration and discovery are important aims of the research, Sarantakos (1993) suggests the use of a qualitative methodology, since it is a methodology capable of yielding significant levels of ‘rich’ data, a form of data that Sarantakos (1993) suggests can be beneficial in identifying unknown variables or themes. In other words, “qualitative research pursues the process of exploration and discovery rather than measurement and confirmation of predetermined hypotheses” (Merriman 1988, p. 17). Blumer continues this argument suggesting that a “central element” of qualitative research is the development of “an accurate picture of the research object” (Blumer cited in Sarantakos 1993, p. 7), for only
then do important variables and concepts become readily apparent to the researcher.

These arguments, in support of the use of qualitative research, are consistent with the purpose of this study, that is, gaining a clearer picture of the CCR and it's possible impact on the outcomes of consultancy projects.

Yet another reason for the selection of qualitative research for this study is that it assumes that there can be different realities perceived by consultants and clients and that such realities are highly subjective and in need of interpreting by the researcher rather than measurement. What is important in this study is how the CCR might be viewed and considered by the client. The accounts of the client in the CCR were sought in terms of how they make sense of the interaction that occurred between themselves and a consultant in the course of a consultancy project in terms of three key aspects: trust, power and comfort zone. Qualitative research facilitates such an aim as it affords the opportunity for the expression of opinions, emotions and feelings, that is, the expression of social meaning (Sapsford & Jupp 1996) and sense making (Ring 1997). In the same vein, Bouma (1996) argues that data collected in qualitative research conveys the “images, feelings and impressions...the qualities of the event under study” (Bouma 1996, p. 18).

A Case Study Approach

A case study approach was selected for this study for a number of reasons, principal amongst these being, the fact that such an approach allows an investigation of the CCR in its “real - life context” (Yin 1994, p. 13), the environment in which such a relationship is formed and maintained. Another reason for the use of a case study approach is that it “studies whole units in their totality” (Sarantakos 1993, p. 259). A
case study approach allows an exploration of many aspects of a CCR and so may assist not only in questioning theoretical assumptions regarding the CCR, but it may also identify aspects of the phenomena that are not yet recognised in the literature (Stake 1994).

This study adopted a multiple-case design (Yin 1994) in an effort to strengthen the results of the study by increasing “confidence” in the data collected (Miles & Huberman 1994, p. 29). However, as a number of writers note (e.g. Denscombe 1998, Stake 1995, Yin 1994) in choosing a multiple-case design, the issue of how cases are selected becomes an important factor.

**Sampling Method.**

In a multiple-case study approach, cases for study can be selected using ‘replication logic’, a simple random sampling method, or a case’s location along some continuum of case attributes (Tellis 1997, Miles and Huberman 1994, Yin 1984). In this study, cases were selected for their location along a continuum based on how the client in the CCR judged the success of the CCR. This sampling method was possible due to the involvement of a third party in the study, the DSRD, and was chosen because an identification of the factors influencing how a client judged the success of the CCR and consultancy project were an important research component of the study.

In selecting a multiple-case design, a ‘replication logic’ is suggested by some writers (e.g. Yin 1984). Replication logic refers to the notion that “if a finding holds in one setting and, given its profile, also holds true in a comparable setting but does not in a contrasting case, the finding is more robust” (Miles & Huberman 1994, p. 29).
However, the decision as to what represents a “comparable setting” and a “contrasting case” is likely to be a matter of conjecture (Stake 1995).

An alternative approach to the issue of case selection is suggested by Stake when he argues that in selecting cases for a multiple-case study, sampling should be based on “balance and variety, with opportunity to learn of primary importance” (Stake 1995, p. 243). He emphasises that the essential criteria in the selection of cases should be on the basis of what the researcher might learn from a particular case. In a similar manner to Stake, Denscombe argues that the selection of a case to be studied can be justified merely on its “suitability for the purpose of the study” (Denscombe 1998, p. 33). Miles and Huberman (1994) argue, that in multiple-case studies, the selection of the cases should be made on “conceptual” rather that “representative” grounds (Miles & Huberman 1994, p. 29). They suggest that cases studied should form a continuum from one extreme of the phenomena under study to the other extreme.

As an important aspect of this study was the exploration of social meanings, a ‘replication logic’ was avoided because of its positivist orientation. A sampling method based on the random selection of cases was also rejected since cases might be studied that provide no significant insights into the CCR. In preference to these sampling methods, cases were selected on both conceptual grounds and for what could be learnt. The involvement of a third party, DSRD, despite the fact that it removed complete control of the initial set of cases identified away from the researcher, allowed the development of a conceptual continuum as suggested by Miles and Huberman (1994), including the location of cases along such a continuum.
In this study, with the co-operation and support of the DSRD, it was possible to identify SMEs that had received government subsidies through the Department’s ‘Small Business Expansion Program’ (SBEP) to engage a management consultant to assist in the preparation of a business plan. Details of this program and why cases were selected from the participants in this Program are discussed later in this chapter. By selecting cases from the DSRD program, and with the co-operation of DSRD officers, who had extensive prior association with each case (including access to confidential questionnaires completed by clients at the conclusion of consultancy projects), it was possible to identify a number of cases along a continuum that was based on how the client in the CCR had judged the success of the CCR. It is relevant to re-iterate, that in this study, in the context of the CCR, the term ‘success’ refers to how the client perceives their satisfaction with the consulting process rather than the value of a consultant’s final recommendations.

There were a number of considerations on what such a conceptual continuum might have been based, for example, the level of risk associated with the consultant’s final recommendations that were contained in the business plan or the client’s perceptions of the level of commitment to the consultancy project. However, the client’s perception of the ‘success’ of the CCR was chosen as the basis of such a continuum for its connection with the research questions stated in the Introduction to this thesis.

Having had DSRD officers identify cases along this ‘success continuum’, it was decided to study three cases, at three points, at either extreme and in the middle, i.e., a ‘successful CCR’, an ‘unsuccessful CCR’ and what DSRD officers labelled a “typical CCR”. This decision was made on the basis that these three cases were more likely to
provide the maximum opportunity for learning, as suggested by Stake (1994), through the gaining of insights into three contrasting CCRs.

The intention of this study was to conduct three case studies and then determine if additional cases were required to support the contention that the literature is potentially incorrect or misleading in regards how SME clients judge the success of a consultancy and decide to accept or reject a consultant's recommendations. It was found that an in-depth analysis of the three cases presented in this thesis was particularly insightful and was sufficient to support the argument of this thesis. As a result, for the purposes of this thesis, no need arose to study additional cases.

The three cases pursued here are meant to open windows for further research, though they are not sufficient in number to prove any generalisable hypotheses. The qualitative and iterative nature of the research can reveal in just one case study factors ignored in the literature, that is, factors potentially worth exploring further. Reinforcement among the three studies signals more clearly areas for more extensive research.

In this study, the population of cases was drawn from the geographical areas of the Illawarra, Southern Highlands and Shoalhaven region of New South Wales. This geographic area was selected as it allowed frequent and ready access to respondents over a period of time. In these areas, nine SMEs associated with DSRD have used a management consultant in the past twelve to eighteen months (Pallas 1999, personal communication). As the intention of the case study approach was to conduct an in-depth, detailed study of each case the cooperation of respondents was essential in terms of the time they were prepared to allow for interviews and discussions. These
impositions of time precluded a number of potential respondents from agreeing to participate in the study and reduced the population of cases to five. With the co-operation of DSRD officers, these five cases were placed along a ‘success continuum’, from which the three cases included in this study were identified.

The involvement of DSRD officers, the rationale for selecting cases from the SBEP and the use of a critical incident approach are described in detail in the following section of this chapter.

**THE ‘SMALL BUSINESS EXPANSION PROGRAM’ (SBEP)**

In this study, cases were selected for study from the SBEP (refer Appendix I). In this DSRD program, subsidies are provided to SMEs to engage a management consultant to assist in the preparation of a business plan that contains recommendations for the improvement of the enterprise’s financial position. Under the guidelines of the SBEP, the process of preparing the business plan involves a number of stages entailing specific meetings between consultant and client, which for the purpose of this study, serve as ‘incidents’. The occurrence of these incidents facilitates the use of a form of critical incident approach (Miles & Huberman 1994, Brookfield 1987).

Flanagan (1954), a psychologist, who first formally characterised the critical incident approach, defines it as any “human activity that is sufficiently complete in itself to permit inferences and predictions to be made about the person performing the act” (Flanagan 1954, p. 327). Brookfield (1987) considers the critical incident an important method for data collection as it limits the potential for researcher bias, is an efficient
method for collecting descriptive data, and allows the respondent to express their perceptions of the incident in their own words.

The process of preparing a business plan by a consultant as part of SBEP involves a number of critical incidents, each of which can be "bounded" (Miles & Huberman 1994, p. 25) sufficiently to allow the respondent to express their perceptions of the incident. These include, the selection of the consultant, the analysis of the business by the consultant and the decision to accept or reject the recommendations of a consultant that are contained in the business plan that represents the culmination of the consultancy project. Data for this study was collected from client's recollections of these incidents.

Cases in this study were selected from participants in the SBEP because these enterprises had developed a business plan in which its format and the process associated with its development were similar even though different consultants had been engaged. It was considered that by adopting this approach a number of complicating factors associated with different approaches to the consulting process, such as variances in the consulting brief, could be minimised and so allow for a more tightly focussed exploration of the CCR.

**The Small Business Expansion Program (SBEP)**

The SBEP is administered in New South Wales by the DSRD. The program provides funding for enterprises with fewer than 100 employees, i.e SMEs, to engage a management consultant to assist in the preparation of a business plan. To be selected for inclusion in this program, enterprises must make a formal application that details the enterprise's recent trading history and potential for future growth. In general, only
enterprises that have a turnover in excess of $250,000 per annum and that can
demonstrate to the DSRD the potential for future growth are accepted into the program.

Of more significance for this study, under the Terms of Reference (DSRD 1997), which
determine the format of a consultancy project funded through the program, the
processes that a consultant and client must follow during the consultancy project are
stated explicitly. For example, the need for each business plan to include the results of a
“SWOT” analysis is clearly stated; “an objective assessment of the company’s
strengths, weakness, opportunities and threats” (DSRD 1997, p. 1). In other words, in
each case, the consultant is obliged to follow a series of prescribed stages in the
preparation of the business plan, therefore ensuring a degree of conformity between
cases studied and allowing for the identification of a series of critical incidents. In
addition, the format of the final business plan is also clearly stated, including the need to
list “recommendations for improvements in effectiveness and efficiency” (DSRD 1997,
p. 1). The implication for this study is that there is a sense of uniformity between
enterprises that have engaged a consultant under the SBEP, in terms of the process
associated with the development of the business plan. This means that the influence on
the CCR as a result of differences in the format in which the business plan has been
prepared and presented is minimised in this study.

The co-operation of the DSRD was requested in identifying enterprises from their SBEP
that might wish to participate in this study. To conform to the DSRD’s privacy
conditions, departmental officers contacted past recipients of funding under the Program
inviting them to participate and explaining the objectives of the study. This protocol had
the potential to affect the application of the sampling method for this study in that the
researcher did not have complete control of the selection of cases. However, it was requested of DSRD’s officers that all enterprises that had received funding under the Program in the past eighteen months be contacted. The intent of this request was to overcome any unconscious tendency by the DSRD’s officers to show bias in the identification of participants.

DSRD officers had sufficient knowledge and experience of each case, of those that agreed to participate in this study, to locate potential cases at various points along a continuum based on how clients described the success of the CCR. This decision was based not only on the personal contact the DSRD officer had with each potential case but also on the client’s written response to a confidential DSRD questionnaire sent to all recipients of DSRD funding following the completion of a management consultancy under the SBEP. As an internal check, each respondent in this study was asked during the course of an initial interview their account of the success of the CCR to verify their location along the ‘success continuum’.

In requesting an enterprise to participate in the study, it should be emphasised that the request was directed to the individual or in the case of partnership arrangements, the individual who:

1. Was responsible for the selection of the consultant in the first instance.

2. Had most direct contact with the consultant during the course of the consultancy project.

3. Was an owner or manager of the enterprise, that is, they had the ‘final say’ regarding accepting or rejecting the consultant’s recommendations.
These characteristics were used in this study to identify the 'client' in each of the cases studied, and this study is focussed on exploring the CCR from the perspective of that client.

Another reason for selecting participants from the SBEP is that a condition of the program is that the consultant engaged is to have no fiduciary or other interest in the enterprise. Unless indicated otherwise, in all cases the consultant was not known to the client before the project. In each case, the DSRD had provided the client with a list of at least twelve consultants, from which the client had to select three, who were then interviewed by the client and their suitability for the project assessed. This selection process was relevant to this study in that any prior contact between a consultant and client might have influenced the establishment of a comfort zone within the relationship and therefore could have an effect on the CCR and the consultancy overall.

The protocol used in the identification of potential participants was discussed with representatives of the Ethics Committee of the University of Wollongong, particularly the ethics involved in the use of DSRD officers and followed Ethics Committee guidelines at all times.

**DATA COLLECTION – IN-DEPTH INTERVIEWS**

The study aimed to gain evidence of the CCR once the relationship between the consultant and client was well established rather than in any formative stage. Therefore, data was collected after the final draft of the business plan had been completed and discussed with the client. In all cases, this was several months after the consultancy had
formally ended as signified by the submission of the final business plan to the funding body – DSRD.

By waiting until the final business plan was discussed with the client, not only could the perceptions of the client be gained, but also a comparison was possible between the interview data collected and the written business plan. In addition to the business plan, in some of the cases, access was also available to the consultant’s brief for the project, the consultant’s proposal to conduct the project and written communication between the client, the consultant and DSRD officers. This approach is reflected in Yin (1994) and Stake’s (1995) view that there are at least six sources of evidence in case study research, namely; documents, archival records, interviews, direct observation, participant – observation and physical artefacts. That is, evidence from the related sources could be used to corroborate evidence from other sources, specifically interviews.

There are three basic forms of an interview used in qualitative research, open-ended, semi-structured and structured (Tellis 1997, Yin 1994, Sarantakos 1993). In this study, a semi-structured interview approach was adopted. It was considered that this approach best suited this particular study in that it ensured the major points and issues in the study were covered and it allowed for the use of probing questions that could be added spontaneously to clarify or pursue a particular point. It was also important that a semi-structured approach was adopted to ensure that respondents were given every opportunity to express their opinions in an “open and free manner” (Patton 1980, p. 69). In other words, a semi-structured interview was used as it facilitated the gaining of the client’s account, opinions and values.
More than one interview was conducted in each case, the initial interviews were structured with the intention that they would last approximately 60 to 90 minutes. Prior to this initial interview, there was no association with any of the respondents in this study, their business or the consultant involved in the CCR under study. The purpose of the initial semi-structured interview was to explore and gain information in three main areas, that is, trust, power and the comfort zone as well as to gain essential demographic and contextual data on each enterprise and the nature of the consultancy project.

During the initial interview eight questions were asked under the heading of ‘trust’. A copy of these and all other questions asked as part of the initial interview can be found in Appendix II. Questions asked in this section of the interview were designed to explore the establishment of trust in the CCR. This included identifying how the respondent conceptualised trust, the priority given to trust in a consultancy project, and the level of trust present in the relationship. Trust was further explored to determine the type of trust that might be present in the relationship and what its basis was, including the related issues of risk, expertise and credibility.

Eight questions were asked under the heading ‘power’. These questions were designed to explore if the client was conscious of the influences of power in the CCR and, if they were conscious of this influence, what they perceived as the origin and nature of this power.

Eight questions were also asked under the heading of the ‘comfort zone’. The questions in this section of the interview schedule were designed to explore what the client considered a “comfortable working relationship” (Lipton 1995, p. 29), that is, what emotions were associated with such a relationship, and if such a relationship influenced
the outcome of the consultancy project, including the client's decision to adopt a consultant's recommendations and how they judged the success or failure of the project.

Apart from questions that related directly to these three areas, as stated previously, the interview included some preliminary questions designed to obtain general demographic and background to the respondent, the business and the consultancy process.

The initial interview schedule was pre-tested in a number of ways. In the first instance, its content and style was discussed with the supervisors of this study. In addition, the interview schedule was discussed with experienced DSRD officers familiar with this study and the individual cases. Another level of pre-testing was achieved by pilot-testing with individuals similar to the respondents in the study, that is, individuals who had engaged management consultants. As a result of this pilot-testing some questions were found to be redundant and subsequently removed from the interview schedule and the order of questions was also revised several times to ensure questions moved from the general to the specific.

It should be acknowledged at this point, that one case, labelled a "typical CCR", was involved in the piloting of the initial interview schedule. This respondent stated they would like to be involved in the study beyond the pilot stage. As the case met the requirements for inclusion in this study, i.e, had received funding under the SBEP, the case was known to DSRD officers and could be placed along the 'success continuum', it was included in the study.
Follow-up interviews were conducted with each of the respondents. In these interviews, questions that emerged from an analysis of the initial interview data, or were necessary to clarify details of the case, were pursued. In addition, themes that emerged from the analysis of the initial interview data were also explored. The result of this iterative process is a form of what Strauss and Corbin label “theoretical sampling” (Strauss & Corbin 1990, p. 176). That is, the data was analysed as it was collected with this analysis and identification of themes being used as the basis for the development of questions in the follow-up interviews. These follow-up interviews lasted on average sixty minutes. Prior to these interviews, the respondents were supplied with a transcript of the previous interview at least three days prior to allow them sufficient time to read and comment on the transcript. This process ensured the accuracy of the transcript in terms of representing what the respondent may have intended. The dates and places of the initial and follow-up interviews with each respondent are recorded in Appendix III.

Data was collected following the principles of a well-designed data collection system as suggested by Pitman and Maxwell (1992). These included:

1. The use of detailed field notes. The interviews were audio taped and clarifying notes were also taken at the time of the interviews. Transcripts of the interviews were made and compared with the original recording for any discrepancies, that were then corrected;

2. potential ‘researcher bias’ was noted at the time of interviews in the field notes for later examination against the data collected (see later in this chapter);

3. analysis was conducted ‘early and often’, to ensure that changes in the interview schedule were made swiftly and appropriately. In other words, the analysis took place simultaneously with the collection of data;
4. the study involved the use of 'multiple sources of evidence' - data was collected from interviews and documentary sources where possible.

In each case the data collected was analysed immediately after collection. Details regarding the data analysis strategy adopted in this study follow.

DATA ANALYSIS – IDENTIFYING THEMES

Following each recorded interview, the audiotapes were transcribed with this original transcript being checked for accuracy against the recording by the researcher. An excerpt from one of these initial transcripts follows:

Q: What was your ah perception of the level of expertise of the consultant you selected for this err consultancy project compared to others?

A: Ah. OK I err... one didn’t impress me too much at all, not at all. Ah. He came along and said well what I am going to do is ah to take all your details and feed them into er... a computer and its going to give me the answers. Well, I thought OK, that ah doesn’t sound like what I... we need. I ah moved away from that.

Before applying any coding or analysis to these 'raw' transcripts, they were re-typed to represent accurately the respondent’s answers but without pauses, overlapping talk and so on (Silverman 1993). For example, a literal transcript, as above, was re-typed as follows:

Q: What was your perception of the level of expertise of the consultant you selected for this consultancy project compared to others?
A: One didn’t impress me too much at all. He came along and said, ‘Well what I am going to do is take all your details and feed them into a computer and its going to give me the answers’. ‘Well’, I thought ‘OK that doesn’t sound like what we need’. I moved away from that.

These ‘verbatim’ transcripts (Walker 1986) from the initial interview with each respondent were then coded by identifying salient terms. Words or phrases were judged salient when they summarised the respondent’s answer, were repeatedly used during the course of the interview, were emphasised by a change in voice or body language, or conveyed a sense of the respondent’s attitude or feeling on a specific issue, question or the CCR itself. The underlined words and phrases in the above excerpt are examples. The term “impress me” indicates a perception, the word “need” indicates an attitude and the phrase “moved away” indicates an action by the respondent. Additional interviews with each respondent were undertaken to probe further the salient terms identified from the first semi-structured interview and open coding process that might prove important in understanding the consultant and client interaction. These follow-up interviews were transcribed and smoothed, just as the initial interviews were, and again any salient terms that would enhance understanding of the CCR were probed further in any third and fourth interview.

Once each transcript had been analysed in this fashion, it was then considered against the general question, “what seems to be going on here?” (Strauss & Corbin 1990, p. 61). That is, the entire transcript and series of transcripts were considered in an attempt to understand the events and dynamics of the case.
The process of collecting and coding the data followed the suggestions of McCracken (1988) and Patton (1980) in that all the material from the interviews and other sources was treated as if it were valid a representation of the respondent’s thoughts at the time of the interview. Inconsistencies between the themes in the literature and those in the field data collected from any one case were tested in follow-up interviews.

As a final phase in the analysis, each case study, as presented in this thesis, was presented to the relevant respondent and their comments as to the accuracy of interpretations or chronology of events or incidents was requested, a process advocated by Denscombe (1998) and Stake (1995). Any discrepancies between the analysis of a case and the perceptions of the respondent in the case study were explored with each respondent and where appropriate the case analysis was amended to reflect more faithfully the perception of the respondent. This phase also ensured no confidential matter was inadvertently disclosed in each case study presented.

ISSUES OF VALIDITY AND RELIABILITY

To ensure validity in this study’s findings, when possible, the use of multiple sources of evidence (interview and documentary) have been used, as suggested by Stake (1995) and Yin (1984). Furthermore, the data and its interpretation by the researcher have been taken back to the respondents for feedback and re-interpretation (Guba & Lincoln 1981).

The issue of reliability can be transformed into the question – “If someone else did this research would they have gotten the same results and arrived at the same conclusions?”
(Denscombe 1998, Yin 1994, Silverman 1993). In a qualitative study, there is no absolute way of knowing this. However, an attempt has been made in this thesis to provide sufficient detail to allow another researcher to independently reach the same findings, that is to replicate the study (Lincoln & Guba 1985, Marshall cited in Silverman 1985).

**STUDY LIMITATIONS**

The findings of this study may be limited by the influence of my own previous experiences and potential for bias. As a practising management consultant, it is impossible for me to approach this study with complete objectivity. My background includes time as a management consultant, as a senior manager and as the owner of a medium-sized enterprise. In both of these latter capacities, I have regularly employed consultants and interacted with them. Subsequently, I am sure that I have entered this research situation with certain biases. For example, I do not agree with many of the negative and pessimistic perceptions of consultants that that are expressed in the popular management press (e.g. James 1998, Holmes 1998) and applied equally to all management consultants.

In order to document biases that I am conscious of, they have been recorded in the field notes that accompany this study. The purpose of recording these biases is to enable a subsequent researcher the opportunity to evaluate the effect of these influences themselves. I have deliberately attempted to maintain objectivity in this study at all times by not allowing past personal experiences to influence either the questions asked of the respondents, the analysis of the data or the results and conclusions drawn from
the data. However, the success of these attempts lies in the evaluation of the study by other researchers.

The selection of the three cases in this study may have introduced bias. The individuals who agreed to be interviewed may be more predisposed towards interacting with 'outsiders', such as the researcher and they may be more liable to be willing to reflect on experience. Both of these dispositions would incline the clients towards learning processes, so one would expect one of the outcomes found, that the clients valued learning from their consultants. This alignment between possible self-selection to participate in this study and a disposition to learn should be explored in future research.

CHAPTER SUMMARY

In this study a qualitative research approach was adopted to afford the opportunity of gathering insights into the CCR expressed in a respondent's own 'voice' and conveying their own sense of meaning of the CCR, and impression of the outcome of the consultancy project.

Because the focus of this study is an exploration of the CCR, in its "real-life context" (Yin 1994, p. 13), a case study strategy was selected. A multiple-case design, was pursued as it strengthened the results of the study (Miles & Huberman 1994). With the co-operation of the DSRD, three cases were selected on the basis of their location along a continuum of how the client had perceived the success of the CCR, as reported to DSRD officers.
Data was collected from interviews and documentary sources. A semi-structured interview schedule was used during the initial interview and data collection and analysis was conducted simultaneously to ensure the interview schedule was kept relevant and appropriate. Data collected from the initial interviews was coded and analysed to reveal 'salient terms'. Subsequent interviews were conducted with each respondent to explore more fully these terms and to clarify any ambiguity in earlier interviews. As a final phase in the analysis, each case study was presented to the relevant respondent for comment and discussion before inclusion in this thesis.

In summary the research design adopted in this study had the intention of allowing the collection and analysis of data that might achieve four essential aims:

- Provide an understanding of each case as a separate entity unto itself.
- Allow for a consideration in each case of any 'theory fit', that is, do trust, power and the comfort zone function in the case as theory suggests, indeed are these key aspects of the CCR identified from the literature important from the client’s perspective?
- Allow for the identification of other aspects of the CCR that are either not identified in the current literature as being significant and/or appear to be not given sufficient priority in the literature.
- Provide an understanding as to if, or how, the various aspects of the CCR might influence the outcomes of some consultancies, in terms of the adoption of a consultant’s recommendations and how a client judges the success of a consultancy project.
In the following chapter each of the three cases studied is introduced, excerpts of the data from the fieldwork are presented, and interview findings are identified.
CHAPTER 3

CASE STUDIES AND INTERVIEW FINDINGS

INTRODUCTION

In this chapter, the three cases studied, a “good”, a “bad” and a “typical” CCR, are introduced. Salient terms and interview findings, such as variations in how trust was built, are presented prior to their analysis and discussion in the next chapter.

This chapter begins with describing general demographics about the respondent and consultant along with information about the business and consultancy project to provide a ‘feel’ for each case and draw attention to contextual factors relevant to an understanding of the CCR. For example, in each case, attention is drawn to the project methodology adopted by the consultants, albeit within the DSRD constraints, as this appears a significant factor in determining the nature of the CCR. The chapter then proceeds, under each of the three key aspects of the CCR previously discussed, to present a list of the salient terms identified through a coding of the interview data. Salient terms are compared between cases, as well as within each case. Findings that emerged from the coding process involve issues such as how trust is perceived in two cases as increasing following, what was termed, the “successful” implementation of the consultant’s recommendations in the early stages of the projects. Respondents refer to having more “confidence” to proceed and implement further recommendations following successful implementation of the consultant’s recommendations and the
ensuing increase in trust. Such findings are analysed and discussed in depth in the following chapter.

Before introducing the three cases, it must be noted that all participants in the study provided access to commercially sensitive documents and agreed to be interviewed only if their confidentiality was protected at all times. In order to ensure that neither the businesses nor the individuals involved can be identified, some data, including contextual information, has, by necessity, been omitted and pseudonyms have been used throughout.

THE THREE CASES STUDIED

Three contextual factors appear significant in each of the three cases discussed below:

1) The project methodology adopted by each consultant
2) The perceived purpose of each project
3) The outcomes in each case.

The gender difference of consultant and client in each case also differs.

Case Study One – Judy Lowe, A “Typical” CCR

The client, Judy Lowe was originally interviewed in the process of piloting the interview schedule for this study. Some of Judy’s responses to the pilot interview contained deep insights into the CCR, and Judy expressed a strong interest in participating further in the study. In addition, as mentioned, the case met the case selection criteria detailed in the previous chapter. Although presented in this study as a
“typical” CCR, the case is of additional interest since it represents the only case studied that involves a male consultant and a female client.

The management consultant employed in this project, Paul Jones, is aged in his mid-forties. Paul has a Bachelor of Commerce degree and a Master of Business Administration degree and has been a management consultant for seven years. In the resume that he provided Judy, as part of his proposal, he states he has worked with over “two hundred clients from a diverse range of industries”. Prior to becoming a management consultant, Paul worked as a market research manager for a number of large multi-national companies in Australia and overseas.

Judy Lowe is aged in her mid-thirties and is tertiary educated, holding a degree in education. Judy displayed a co-operative and ‘easy going’ nature during the four interviews with her. When this comment was made to Judy, she stated that she considers herself as “easy to get on with” and made the statement that “not much gets to me”.

Judy operated the retail business that was the subject of this consultancy with assistance from her husband, Michael. This business, in rural NSW, had a turnover of less than $500,000 and employed four full-time staff. At the time of the consultancy, Michael worked only part-time in the business, though Judy worked full-time in the business. It was Judy’s decision to approach DSRD regarding entry to the SBEP and Judy is labelled the ‘client’ in this CCR because she was solely responsible for selecting Paul and deciding whether to implement his recommendations. In Judy’s words, Michael had “minimal” contact with Paul during the consultancy project.
Shortly after the completion of the consultancy project, Judy and her husband sold the business. They both now work in completely unrelated fields. Judy is now the regional manager of a government authority. However, prior to the consultancy, they had owned and operated this business for more than ten years. This was the first time Judy had employed a management consultant.

Judy describes the business as “performing reasonably well” immediately prior to the consultancy project commencing, but in a contradictory note, also states that a “decline in the bottom line” was being experienced and that this was of “concern”. To reverse this decline, Judy concedes that she had, as she says, “tried a number of different things”. However, a point was reached when they turned to a client manager in the DSRD to, as she expresses it, “see what he could do to help”.

As a result, a consultant’s brief for the consultancy was developed jointly by a DSRD client manager and Judy. The process of jointly defining the purpose of the consultancy project, in the form of a consultant’s brief is described by DSRD officers as “normal practice” in the SBEP. For this consultancy project, the agreed purpose of the consultancy was stated by DSRD in a single sentence, that is, “prepare a business plan for increasing market share”, which is consistent with the guidelines of the SBEP (refer Appendix I). However, from interviews with Judy, this simple, broad statement failed to adequately express her perception of the purpose of the consultancy. When asked what she considered the “purpose” of the consultancy to be, Judy claimed it was principally to “see the business through fresh eyes”, that is, those of the consultant - a process that Judy said, “would hopefully in the long run turn our bottom line around”.

75.
However, there appears yet another additional or underlying purpose for the consultancy that was never overtly expressed in any formal brief. In interviews, Judy consistently expressed the point that her “approach” to the consultant was “always” to “learn from him”. In other words, the CCR described by her developed in the context of the consultant being engaged, purportedly to provide fresh insights into the business with the aim of resolving a specific problem, and also acting as an educator to “broaden” Judy’s “knowledge”. It is against these two criteria that Judy says she judged the success of the project. She stated: “the consultancy was a success on a couple of levels, there was to a degree a turnaround in the figures...but more importantly...it certainly broadened our knowledge”.

An additional contextual factor also needs to be described, that is, the project methodology adopted by the consultant. This consultancy project was of six months duration and did not involve the consultant simply providing a written report containing recommendations at the end of that time period. Paul’s approach involved him making regular visits to the business, each of several days duration, during which the business would be discussed and strategies and recommendations would be developed. In between these visits, Judy would consider and, where appropriate, implement these recommendations. In other words, Paul’s recommendations were implemented during the course of the consultancy, not merely at the end of the project. The significance of this approach to the CCR is that the success or failure of the consultant’s recommendations could be assessed by Judy whilst the consultant was still actively involved in the project.
One other contextual factor needs mentioning. During the latter part of the consultancy, Judy and her husband were approached to sell the business. Judy claims that a decision to sell the business was made “prior to the consultancy” and that the consultant was fully aware of this fact from the outset of the consultancy. Judy describes the consultancy as confirming to her that it was a “good idea” to sell the business, but that this was not the stated purpose of the consultancy to DSRD. At this same time, that is in the latter part of the consultancy, the CCR appears to have experienced a significant turning point. It appears from interviews with Judy that her relationship with the consultant changed, comments being made by Judy that the consultant was “stretching” the project, and “he was gaining reward when we weren’t getting benefit”.

In the case that follows, no such negative turning point is acknowledged, rather, the relationship appears to get stronger over the duration of the project with the consultant having marked success in improving the business’s turnover and profit.

Case Study Two – John Horton, A “Good” CCR
The second case examines a CCR that officers of the DSRD have categorised, on the basis of their interviews and questionnaires with the client, as an example of a “good” CCR. The client in this case study is John Horton, aged in his late thirties. The interviews with John are punctuated throughout by his loud, and at times, raucous laughter. This appears to be a constant feature of John’s personality, with the receptionist at the first interview with John suggesting I could find him “easily” by “listening for the laugh”. From the receptionist’s smile when making this comment, it appears that John’s laugh provides the workplace with a sense of security and comfort. John is a partner in what he describes as a “building maintenance and construction
company" that has completed large and small government and private projects throughout NSW. John is a licensed builder who left school after his School Certificate and holds trade certificates as a carpenter and joiner; he holds no other tertiary qualifications. His partner in the business, Garth Porter, also has a background in the building trades being a licensed plumber, drainer and gasfitter, and also has no other tertiary qualifications. Although John has no formal qualifications in management or business administration, he says that he "makes the time" to attend small business seminars, particularly those that he considers as having what he terms a "practical application" to his business. When asked in a follow-up interview to explain what he meant by this expression, John replied that he was "only interested in stuff that I can understand and see working in my business".

Both John and Garth each operated their own businesses, a building and a maintenance plumbing business, respectively, before, as they say, "joining forces" in 1990. Their intention at the time was to create a new company that could provide, in their words, "a fully integrated building maintenance service to various government agencies", with their first major client being Asset Services, at the time a Commonwealth Government department responsible for the maintenance of Commonwealth Government properties. This organisation remains as John and Garth's largest client. Other regular clients are in the telecommunications, delivery services and petroleum industries.

John has been labelled the client in this study. The business operates, according to John, with Garth controlling the "on site work", and John running the overall day to day management of the business. As John expresses it, "Garth is active in the business, but he doesn't like the office, and I don't like him in it...the bigger or more difficult jobs, he
takes care of. According to John, it was he alone who selected the consultant for this project and who has had the responsibility of implementing or rejecting the consultant’s recommendations.

The consultant that John selected for this project was Phil Norris, also aged in his late thirties. Phil’s resume states that he has eleven years experience as a management consultant and according to his own resume, “specialises in helping small businesses grow”. Phil holds a Bachelor of Commerce degree and is qualified as a CPA, although he does not advertise or market himself as a CPA or as an accountant, labelling himself on his business card as a “management consultant and adviser”.

Prior to the commencement of the consultancy, John describes the business as having “a couple of good years” and attributes this to, as he says, “probably more good fortune than good planning...we just happened to be in the right place at the right time to pick up some financially rewarding jobs”. However, immediately prior to the consultancy, John states that the “...business was going through a pretty slow period, and I figured I wasn’t doing things right”. John describes the business at this time as experiencing a drop in turnover from “just under a million dollars to just under $500,000”. It was at this point in time that John says he, “got the phone book out and started ringing around”, a process that he says, “by accident” led to him contacting the DSRD. Following a visit to his office by a DSRD client manager and a formal application, the business was admitted to the SBEP.

When asked to describe what he considered the purpose of the consultancy, John initially replied that “I suppose I didn’t really know. I just knew I needed to do what I
was doing better and the consultancy needed to be of financial benefit to us”. John also commented that “at the time we just didn’t know if it [the consultancy] was going to be worth it or not. It was pretty hard, you were forking out a lot of money for a consultant at a time when you couldn’t really afford it”. However, John now considers the consultancy as “worth it”, with John stating that “bringing in an outside consultant was the single biggest factor in the history of the business…since the consultancy, our turnover has increased to one and three quarter million, and our staff has increased from three to nine”. Looking back on the consultancy, John states that he got “value for money” from the consultant, and even though it is now fourteen months since he received the final business plan from Phil Norris, he still has Phil, as he says, “in” for one day a month, “just to keep tabs on the business, as my biggest worry is going broke and I do not want to go broke”.

However, the consultancy also appears to have had additional benefits beyond simply improving turnover and profit. When asked what was the “biggest thing” gained from the consultancy, John was quick to respond that the “growth in the business was good, but what I really remember is what I learnt about running a business”. When asked to elaborate John goes on to state that “I learnt how to analyse the business and margins…how to quote on jobs and maintain our margins”.

This was the first time John had used a management consultant, and in stating this he commented that “if someone would have told me I would ever need a consultant, I would have laughed in their faces”. During interviews, John expressed the opinion that he “just didn’t think they [management consultants] related to me…but now I try to get
our subbies [sub-contractors] to use them, but when you start mentioning the dollars, they are just not interested”.

It took the consultant Phil Norris twelve months to complete the business plan that was the result of the consultancy. During this time, Phil, according to John, would visit the business “once a month for one day a month”. According to John, in the early parts of the project, Phil “researched the business”, a process John described as involving Phil looking at “where we came from and what our options were”. Following this stage of the project, which took the first three months, Phil began to offer John and Garth what John labels as “options” and “suggestions” for them to consider and implement. As each “option” was implemented, the success or failure of the “option” was reviewed by both John and Phil in their subsequent meetings. In other words, the benefit (or failure) of any “option” could and was evaluated by John whilst Phil was still active and involved in the consultancy.

In the third case studied, the CCR is categorised as a “bad” CCR with the project reaching a point where DSRD subsidised the engagement of a second consultant. However, neither the consultant in the CCR that is examined in this case study, nor the second consultant, were able to improve the performance of this business.

Case Study Three – Bruce Rodgers, A “Bad CCR”

The final case presented in this study was categorised by officers of the DSRD as representing an example of a “bad” CCR. As with all the cases in this study, DSRD officers based this categorisation on the results of what they label as “routine” interviews and questionnaires that follow the completion of these consultancy projects.
In this case, however, DSRD officers also had correspondence between themselves and both parties in the project and results of confidential interviews with both the consultant and the client during the later stages of the project, when DSRD monitoring of the consultancy indicated, according to DSRD officers, "problems".

Although the funded project was completed, in that a business plan was submitted to DSRD, the relationship between the consultant and client had, according to DSRD officers, "deteriorated to an intolerable level during the course of the project".

Following discussions with both the consultant and client, at the conclusion of the project, DSRD officers agreed to fund a second consultant to, as they say, "review the outcomes" of the business plan and, "if possible, assist the client".

The original consultant selected for the project was Lyn Roberts, a management consultant aged in her early thirties who, in her resume, described herself as having "extensive experience in marketing, customer service and working with small business". Although no formal academic qualifications or other details were listed in the resume that accompanied her proposal to undertake the project, according to DSRD officers, Lyn has a degree in commerce and postgraduate qualifications in marketing.

The client in this study is Bruce Rodgers, aged in his mid to late fifties. He describes himself as having "more than twenty years experience running many successful small businesses". Bruce is a qualified, registered pharmacist and many of these former businesses he refers to are pharmacies that he has owned and operated in regional centres throughout New South Wales. In 1989, however, Bruce changed direction and opened a photo processing business. Bruce described the business as "growing rapidly".
in the early stages and as he “put in better and newer processing equipment” and moved to a “much better location” the turnover and profits increased. Bruce stated that the turnover peaked in late 1995 at “somewhere over $500,000”, a time when he employed a staff of six and had an investment in equipment “too high to think about”.

However, by late 1997, the turnover had decreased by over 30%, and Bruce recalls contacting a DSRD client manager and asking “what should I do…close the business and sell the equipment or what?” Following subsequent meetings with DSRD officers, it was agreed that a business plan completed by a management consultant, and funded under the SBEP could, according to the project’s brief, “lead to growth and turn the business around”. In Bruce’s words, he considered the purpose of the consultancy was “to find out why the business was declining and to then give an antidote to the decline”.

As with the previous cases, this was the first time that Bruce had used the services of a management consultant and when asked what his opinion of management consultants had been before the project Bruce’s response is quick and sharp:

Ho hum, what can they tell me that I don’t know after twenty years running successful businesses. I didn’t think anybody could know more about business than I did.

The consultancy project took place over a two-month period in mid-1998. The approach to the project adopted by Lyn Roberts was, according to Bruce, “haphazard”. He says that “she would visit us for a day or so then there would be a lull for whatever reason followed then by a series of rapid visits”. During these early visits, Lyn would conduct interviews with Bruce and his staff so as to, according to Bruce, “come to an
understanding of the problem”. In the final stages of the project, Lyn began making specific recommendations that were immediately implemented with follow-up discussions on each recommendation occurring weekly. In other words, in a similar manner to the other two cases in this study, the consultant was still active in the project whilst the client implemented her recommendations and assessed their merit.

Although this case examines the CCR between Bruce and Lyn, it might be of relevance to note that the consultant who conducted the “review” was a male, aged in his early fifties. Although neither consultancy has “turned the business around” (turnover has since the second consultancy decreased by a further 20%, and staff numbers have been halved), Bruce describes this later consultancy as “more successful” than the first. Although this study did not specifically examine the reasons why this perception might be present, comments by Bruce such as “he was easier to talk to” or “I did like him more [than Lyn]”, provide some insight into the possible reasons for Bruce’s perception of the second consultancy.

Another contextual factor of this case emerges in Bruce’s response to the question of whether he considered he got “value for money” from the consultancy. Considering the consultancy did not “turn the business around”, it might be expected that he would answer in a negative fashion. Bruce, although admitting the consultancy failed to help the business financially, claims “it taught me things that I didn’t know...things like the proper way of going about a business plan”. This theme was re-visited when Bruce reflected on what was the biggest thing he learnt from the project, in his opinion; the biggest plus was the overall knowledge that I gained. That was worth the entire exercise because it made me a better manager.
of a small business...I thought I was crash hot terrific, but I was only crash hot terrific when things were going well, as soon as they didn’t, I was not terrific.

It is also relevant to note that in meetings with DSRD officers that followed the first interview with Bruce, they revealed that the original consultant in this project, Lyn Roberts, was “devastated” as a result of the project. According to DSRD officers, Lyn now “refuses” to tender on any consultancy with DSRD when, after an initial interview with the prospective client, her “gut feeling” indicates that she might not “get along” with the client.

Following this introduction to each case, salient terms identified from the coding of the interview data (refer Appendix IV), and accompanying findings that provide insight into the CCR and its impact on the outcomes of the consultancy, are presented prior to their detailed analysis and discussion in the next chapter.

SALIENT TERMS AND INTERVIEW FINDINGS

Phrases containing salient terms identified from the interview transcripts with each respondent provide insight into the nature of the CCR in each case and its impact on the outcomes of each consultancy project, including the adoption or rejection of the consultant’s recommendations and how the success of the project is judged.

Accompanying the following tables of representative phrases containing salient terms is a description of key findings from the interview data, including the level and basis of trust in the CCR, perceived power in the CCR and the working relationship with the
consultant. Findings are presented under each of the key aspects of the CCR rather than case by case (Stake 1995, Yin 1994) in order to highlight consistency and contrast and prevent unnecessary repetition.

In each of the following tables, (3.1, 3.2, 3.3), the left-hand column, labelled ‘interview question’, contains the initial interview question asked. In the next three columns, salient terms (highlighted by bold print) from each respondent’s answer to this and any accompanying probe questions are listed, within short excerpts of the relevant transcript so as to show the context of the salient term.

**Trust**

Table 3.1 shows, in all three cases, despite the quality of CCR, that is, “typical”, “good” or “bad”, the respondents stated they trusted the consultant. However, in two cases the level of trust has changed during the course of the project, whilst in the third case it is described as remaining the same. In case one, Judy describes trust as increasing as “strategies did work” but then “waning” in the latter stages as perceptions that the project was being “milked” developed. In contrast, in case two, trust is described by the respondent John, only in terms of getting stronger as the consultancy project progressed. It is of interest that both Judy and John accompany the notion of trust as getting stronger with the successful implementation of the consultant’s recommendations, something that is not a feature of the third case. In the third case, recommendations are judged by the respondent Bruce, as having been unsuccessful.

Another finding is how each respondent perceives the meaning of the term ‘trust’. Judy links the term trust with somebody you can “rely on”, “was competent” and had
Table 3.1. Trust – Salient Terms.

| INTERVIEW QUESTION                                      | CASE STUDY ONE - JUDY  
A “TYPICAL” CCR | CASE STUDY TWO - JOHN  
A “GOOD” CCR | CASE STUDY THREE - BRUCE  
A “BAD” CCR |
|---------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Did you trust the consultant?                           | yes, taking that leap of faith that he had the  
experience...expertise, put across his points in a  
confident manner...led you to feel you could trust him | totally...feel his soul interest is our business,  
shows real concern about bad times, its that person  
to person relationship, shows he has genuine  
care about how business is done | absolutely  
she had trusting nature, appeared open, honest, frank  
and forthright |
| What do you mean by the term ‘trust’ in the context of  
your relationship with the consultant?                  | somebody you could rely on...was competent...had  
skills...could contribute valuable ideas, had to  
have confidence in him and his ability | he knows our profits, taxes, accountant very aware  
of our whole finances [if] he got done for fraud...all  
of a sudden [no] trust...any more | trust comes in two ways...honesty and...confidentiality,  
both [ways] excellent |
| Did anything happen during the course of the consultancy  
to change the level of trust you placed in the consultant? | yes, first instance...competent and professional,  
[as] strategies did work...trust increased, waning  
[of trust towards end], started to feel [consultancy]  
being milked | definitely got more trust, relationship got stronger  
as it went along | no...not on those two parameters |
| Do you feel you understood the reasons why the  
consultant made the recommendations they did?            | [No insights gained]                            | not all the time...start thinking...where is the  
direction [lost] | what I expected, her reasoning...sound at the time,  
[but] don’t think she was good choice...her expertise  
too narrow |
| Did you implement all the consultant’s recommendations?  | no, especially when [consultancy] felt being  
milked | would try them all, we were paying a lot of money,  
had to trust [recommendations] going to work | yes, had faith in this person, recommendations...seemed...to be soundly  
based, hadn’t clicked there was another problem |
| Did the consultant’s level of commitment vary during the  
project?                                                 | early stages...quite a level...[showed by]  
turning up on time...bringing equipment...not  
cancelling on appointments...keeping his side of  
bargain...doing what he said he would | no, same genuine interest...as when he started,  
[consultant] a checkpoint, I do not want to go broke, trust...[consultant]  
to stop] us going down the gurgler expect him tell me things straight up | at the end...another consultant...seemed to lose some interest |
| What did you conceal or were hesitant to reveal to the  
consultant during the course of the consultancy?          | told him everything, [but] weren’t 100% frank  
was towards end, [when felt] got everything out of it  
[consultancy] | nothing, needed someone to assist us, felt could  
trust him, were hesitant at the start, [but as]  
his ideas worked...ended giving him everything, if  
didn’t have a good relationship...wouldn’t have | gave her everything, [otherwise could not] do her job  
didn’t show...books [until] certain I could trust her  
didn’t do anything [to make] feel couldn’t trust her |
“skills”. John appears to perceive trust in terms of what the consultant is shown and knows, “our profits”, etc. In case three, Bruce perceives trust in two ways, the “honesty” of the consultant and their ability to maintain “confidentiality”. It is against these perceptions that each respondent appears to judge the level of trust in the CCR, and perhaps the project itself.

Before moving to the aspect of power, there is another finding contained in the data on trust that needs mention. When asked if the consultant’s level of commitment varied, Judy uses the term “bargain” in her response while John implies, in his response, an expectation that the consultant will tell him “things straight up”. In both responses, there are indications of an arrangement that appears linked to expectations of the consultant’s behaviour and actions, but might be largely tacit and unspoken. This and the other findings noted above are explored more fully in the next chapter.

**Power**

An exploration of power in the CCR, summarised in Table 3.2, reveals that in cases two and three, the consultant is attributed with having “no power”. This perception appears to be based on John’s attitude that it was his “business”, and Bruce’s view that the consultant was an “employee”. In contrast, in case one, although Judy describes herself as having the “final power”, she does consider the consultant as having power, the basis of this power in the CCR being his “knowledge” and her desire to gain access to that knowledge. It is also of interest that, although both John and Bruce consider the consultant as having no power, like Judy, they still consider themselves as “equals” with the consultant.
<table>
<thead>
<tr>
<th>INTERVIEW QUESTION</th>
<th>CASE STUDY ONE - JUDY</th>
<th>CASE STUDY TWO - JOHN</th>
<th>CASE STUDY THREE - BRUCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did you always feel that your contribution or input to the consultancy project was respected by the consultant?</td>
<td>never [felt] complete twit, he listened to what we had to say</td>
<td>I think so...he listened to you, we discussed each recommendation, he didn’t come in and say this is what you are going to do, respect [showed by] his body language</td>
<td>absolutely, anything not clear...she said...what did I mean, always asking me to elaborate on what I had said...what my feelings were, [but] I think she [didn’t understand my] point.</td>
</tr>
<tr>
<td>How easy was it to ask questions of the consultant?</td>
<td>always listen and respond straight away</td>
<td>no problem everything always discussed, he would encourage us to ask questions</td>
<td>very easy, though in the end answers were not what I wanted to hear</td>
</tr>
<tr>
<td>Did you question any of the consultant’s recommendations?</td>
<td>only towards the end seemed to accept it [rejection of recommendation], all growing tired...had enough [of project]</td>
<td>occasionally, thought...seems to know what he’s on about...we should give it a go, we were learning, his role...gave us a starting point...initiated some sort of action, as if his job was finished once we got going and felt confident</td>
<td>only towards the end, when we were looking for conclusions...I expressed concerns not getting anywhere...said OK...what else can we do, did not come up with anything, I suggested another consultant to review</td>
</tr>
<tr>
<td>Do you believe the consultant used a lot of ‘technical’ type language?</td>
<td>no</td>
<td>no, [no] high tech terms, think he deliberately avoided using big words</td>
<td>no...deliberately avoided...it was just conversation</td>
</tr>
<tr>
<td>Were you conscious of any ‘power’ you may have had over the consultant?</td>
<td>we...had...final power...whether we continued the consultancy, in that way...bit more power [than consultant]</td>
<td>wasn’t aware of any power over him</td>
<td>I was never disenfranchised, had power at all times, always in full control of the business and direction of the consultancy</td>
</tr>
<tr>
<td>Were you conscious of any ‘power’ the consultant may have had?</td>
<td>approach...to gain as much knowledge from him, he had the knowledge...we wanted [his power]</td>
<td>he had no power...it was my business</td>
<td>only as colleague, working for me, employing her, employee, she had no power</td>
</tr>
<tr>
<td>In the relationship you had with the consultant, would you consider yourself an equal?</td>
<td>equals approached things...on an equal basis</td>
<td>yeah, there was no power struggle it was a working companionship in the business, to do best by business...would use his experience and knowledge to give...direction, he did not...control or force me</td>
<td>was an equality...respect there was disappointed...did not solve problems, paying a lot of money, feel [not] getting anywhere...I didn’t put in great effort in usual body language way, no dominance, no subjection, in the way people stand...talk</td>
</tr>
<tr>
<td>Do you think the consultant ever ‘took advantage’ of your relationship?</td>
<td>...towards the end, being milked.</td>
<td>no...can’t think of any occasion</td>
<td>no opportunity, I was always in control</td>
</tr>
</tbody>
</table>
Another finding of interest, is that both Judy and Bruce state that they only began to question the consultant’s recommendations towards the latter stages of the consultancy. In Judy’s case, as she says, this began when they were “all growing tired”, perhaps at the same time as she developed a perception that the project was, as she says, being “milked” and the consultant was taking advantage of the relationship. In Bruce’s case, he describes questioning the consultant’s recommendations “only towards the end” when “we were looking for conclusions”. That is, at a point when he had, as he says, “concerns” the consultancy was not “getting anywhere”.

In contrast, to the literature on power in the CCR, in no case presented does it appear that power resided solely in the domain of the consultant, nor does it appear that any consultant deliberately manipulated perceptions of their expertise to gain credibility or power in the project, as suggested by Lipton (1995). Only in case study two is there reference to a consultant’s conscious use of a client’s perception of their expertise or knowledge. In this case study, John describes how the consultant used his “experience and knowledge” to give “direction”, but there is no evidence this was connected to attempts by the consultant to gain credibility or power.

Another finding that emerges in the interview data on power is the importance placed by the respondents on aspects of their communication with the consultant. In all three cases, reference is made to the consultant “listening”. In cases two and three, reference is made to the use of “body language” as well as verbal communication to confer and signal respect and equality in the CCR. In the section that follows on the comfort zone, aspects of the communication between the consultant and client in each case also emerge as an important aspect of the CCR.
Comfort Zone

Perhaps one of the most significant findings regarding the comfort zone, as shown in Table 3.3, relates to how all three respondents decided to describe the consultant as a "colleague" rather than a "friend". Although each respondent elected to use the term colleague, their reasons are different in all three cases. Judy’s response to this question implies that she regards a friend as someone with whom you might discuss “things other than business with”. Similarly, John considers the consultant was “here for business”, and they did not discuss such things as “footy scores”. In contrast, Bruce, states that there was no “pretence we were friends” and attributes this to their “different backgrounds…different worlds”.

It is also of interest that in all three cases, although regarding each consultant as a colleague, all three respondents stated they liked the consultant and gave different reasons for this feeling. Judy, places emphasis on aspects of their communication (“talk”, “listen”) and a “level of confidence” she “felt” about the consultant. John responded that he liked the consultant because of his “honesty” as demonstrated by the manner in which the consultant spoke - with “no crap”. Bruce also places emphasis on aspects of their communication (“excellent to chat with”) but also makes mention of the consultant’s physical appearance.

Bruce’s reference to the consultant’s physical appearance introduces the issue of gender to the comfort zone. It is of note that Bruce states that the second consultant was a “fellow” and he “did like him more”. These comments suggest gender, specifically, homo-sociability might have been an issue in this case. That is, Bruce was more comfortable working with a male consultant. John also makes a comment that suggests
<table>
<thead>
<tr>
<th>INTERVIEW QUESTIONS</th>
<th>CASE STUDY ONE - JUDY A “TYPICAL” CCR</th>
<th>CASE STUDY TWO - JOHN A “GOOD” CCR</th>
<th>CASE STUDY THREE - BRUCE A “BAD” CCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>What do you consider are important features of any consultant – client relationship?</td>
<td>needs to be two way communication confidence in what they’re saying, prove they have experience...expertise...skills to assist you, able to communicate freely, trust [to] lead you down right path</td>
<td>can’t be personality clashes, selected the consultant on...not so much price communications and trust have to be pretty good, see you are actually achieving, able to get on together is real important</td>
<td>have a lot of confidence in the consultant, [confidence] needs to be established early in the piece...so...consultant needs to demonstrate a competency...they have skills you need</td>
</tr>
<tr>
<td>What were the important reasons that made you select one consultant for this project over another from the list of names supplied by DSRD?</td>
<td>presentation more professional, skills [and] experience what we perceived we needed, skills what we needed focus holistic towards us and our family</td>
<td>seemed like someone I could trust, seemed interested in listening to us, one of the others...didn’t ‘click’, come across as arrogant...thinks he knows everything</td>
<td>one didn’t impress me, another did not seem to have the vivacity and energy or the ability to relate in [desired area], looking for whole package.</td>
</tr>
<tr>
<td>What was your perception of the level of ‘expertise’ of the consultant you selected for this consultancy project compared to the others?</td>
<td>high level of expertise, done lot of consultancy...with different small businesses, had good level of expertise</td>
<td>don’t know, don’t look at credentials, I employ more on gut feeling, [consultant] had the experience to do the job</td>
<td>[selected consultant] competent at the time in areas...thought at time...needed help in</td>
</tr>
<tr>
<td>Would you describe the consultant you used for this project as a friend or colleague?</td>
<td>colleague gaining knowledge, gaining information [and] expertise...learning from, friend discuss things other than business with.</td>
<td>colleague good to keep it straight business it is business, he is paid well, that’s what...here for business, is a friendship of sorts...but not...to a social extent...we don’t discuss...footsy scores</td>
<td>colleague no pretence we were friends, totally business relationship, we were from different backgrounds...different worlds</td>
</tr>
<tr>
<td>Did you like the consultant you engaged on this project?</td>
<td>yes easy to talk to, get along with, [not] lot in common, he showed confidence, you felt level of confidence</td>
<td>yes he calls it straight...no crap [not afraid] to upset you, [consultants] need to be honest with you</td>
<td>yes she was personally very attractive, great to be with, excellent to chat with second consultant...a fellow, was more perceptive, we had more in common, seemed to understand our problem better, I...did like him more</td>
</tr>
<tr>
<td><strong>Would you recommend the consultant you used to a friend or business colleague?</strong></td>
<td><strong>Yes</strong></td>
<td><strong>He could do it [improve] any business, in general he was easy to get on with</strong></td>
<td><strong>Would and did recommend she's that type of person [marketing]...all go, full on</strong></td>
</tr>
<tr>
<td><strong>Did you have a good working relationship with the consultant from the outset of the project?</strong></td>
<td><strong>Yes</strong></td>
<td><strong>Got lot out of consultancy, learnt a lot he is easy to get along with, does have excellent ideas</strong></td>
<td><strong>Yes</strong></td>
</tr>
<tr>
<td></td>
<td><strong>[Consultancy] strung out, had our value for money, [had] got all the knowledge from him...going to benefit us, did get pat on the head, he would complement us...did feel you had done something worthwhile and successful...were congratulated for it</strong></td>
<td><strong>Little hazy at first...but...once results coming through...showed could do the job and...sure...going to get on OK...things only got better once sure it was going to work</strong></td>
<td><strong>At the start was always co-operative...helpful... available, mechanics of the way...we worked together...fine, [she was] genuine and sincere but something missing we just didn't relate to one another, a feeling things...not right between us, didn't seem to understand what I was telling her</strong></td>
</tr>
</tbody>
</table>
the presence of homo-sociability, in that he refers to not discussing the “footy scores” with the consultant. It is perhaps of interest if this term, a male stereotyping or ‘blokey’ term, would have been used if the consultant was female or if the use of this term suggests a preference by John for a male consultant. Judy also makes comments regarding the comfort zone that could be interpreted as gender related. It is noted that she selected the consultant for amongst other reasons, his “holistic” approach “towards us and our family”. Neither male respondent in this study made mention of family in the course of the interviews. In the next chapter the issue of homo-sociability in each of the three cases is explored further.

In exploring the reasons for the selection of the consultants in each case, another interesting finding concerning the comfort zone emerges. No respondent placed emphasis on the consultant’s formal qualifications. Rather perceptions of their skills and experience, how they intended to approach the project methodology and what are described as “feelings” or “gut feeling”, as John expresses it, appear to have been important in the selection process and the creation of a comfort zone.

CHAPTER SUMMARY

In the first section of this chapter, each of the three cases studied were introduced via a description by the respondent of the history of the business and the consultancy process. The purpose of these introductions were to provide a ‘feel’ to each case. In introducing each case, attention was drawn to three contextual factors that appear important to an understanding of the CCR. These are: the project methodology adopted by the consultant, the perceived purpose of the consultant and the outcomes in each case.
In the second part of this chapter salient terms that emerged from a coding of the interview data were presented and discussed briefly under each of the key aspects of the CCR identified from the literature. These key interview findings were:

- Trust was conceptualised in different terms by the three respondents.
- Two respondents claimed they had more power than the consultant.
- Within the CCR, each respondent suggested reasons that prevented them labelling the consultant a “friend”.
- In judging the success of a consultancy project, each client placed emphasis on the financial change achieved as a result of the consultancy, their increase in knowledge on how to operate a SME and new perspectives on their business.

These interview findings, and their relationship to the research questions asked in the Introduction to this thesis, form the focus of the analysis and discussion that occurs in the next chapter.
CHAPTER 4

ANALYSIS AND DISCUSSION

INTRODUCTION

The analysis of the interviews in this chapter points to the CCR as involving many facets, some of which do not appear to be given significance in the consulting literature or are in need of further clarification. Such overlooked factors include the use of power in the CCR and the importance of reciprocity and homo-sociability in the CCR.

This chapter opens with a discussion of the contextual factors that appear influential in understanding each case, i.e. the degree of contact between the client and consultant, the perceived aims of the consultancy and the fact the consultants were present during the implementation of their recommendations. Following this, findings related to trust, power and the comfort zone are analysed and discussed. The focus of these discussions is on an examination of the ‘theory fit’ between the findings in each case and the literature. In the cases studied, it appears trust, power and the comfort zone are important aspects of the CCR, but their dynamics, dimensions and characteristics do not appear to be well understood in the literature. For example, power is suggested in the literature as the sole domain of the consultant. However, in no case studied was evidence found to support this assertion in the literature. The chapter concludes with a discussion of what are labelled ‘emergent themes’, that is, aspects of the CCR that the clients gave priority but the literature does not. These included: aspects of communication, gender relations and reciprocity.
CONTEXTUAL FACTORS AFFECTING THE CCR

Three contextual influences help understand each case: 1) the project methodology adopted by each of the consultants; 2) the perceived purpose of each project; and 3) the outcomes of each project. These are now discussed in turn.

Project Methodology

There are a number of similarities and differences in the project methodologies adopted by the three consultants in this study. For example, the duration of the three projects, which was indicated by the consultant in each consultancy proposal, differs significantly. Judy ("typical" CCR) describes the consultancy as lasting "six months", whilst John ('good' CCR) describes the consultancy as being over a "twelve month period" and Bruce ("bad" CCR) stated that the consultancy was "over two or three months". It might be assumed that the longer the project the more likely it is for a strengthening of the bond, that is, the "cement that binds" (Buttery & Buttery 1994, p. 123) a consultant and client. This might be a factor in explaining why John experienced, what DSRD labelled, a "good" CCR. However, such a notion is not supported by the fact that the level of contact in the three cases is similar. Judy’s diary notes indicated that Paul, the consultant in her case, “visited” her for a total of 14 days over the six-month period of the project. John had contact for one day per month (12 days). Bruce, although not certain, claims “in total it would have been about 10 day’s worth”. In other words, although the duration of the consultancy might at first appear an important factor in the development of the CCR, it needs to be considered in conjunction with the amount of contact that occurred between the consultant and client. In recognising that duration and contact might be factors in the development of a CCR, it is also important...
to recognise there are exceptions to the notion that all relationships and individual aspects of a relationship strengthen over time. As de Laat (1997) suggests, some aspects of a relationship, most notably trust, can be characterised by a "downward spiral" (de Laat 1997, p. 163) over a period of time as one party fails to meet the expectations of the other.

Also of significance in arriving at an understanding of the CCR is a recognition that each of the consultants delivered their recommendations during the course of the project and that these recommendations, in the case of Judy and John, were progressively implemented during the consultancy. In other words, the consultants were present during the implementation phase of each recommendation and whilst the recommendation was being evaluated by the client in terms of positive or negative effects on the business's financial position. From accounts of consultancy projects in the consulting literature (Czerniawska 1999, Clark 1995, Block 1981), one gets the impression that most consultancy projects terminate with the presentation of the consultant's recommendations. Czerniawska (1999) labels this latter type of consultancy as "hit and run – they [consultants] submit a report and make recommendations but then leave before implementation starts" (Czerniawska 1999, p. 2). This type of consulting methodology is similar to that detailed in the story of Joe Harvey. It could therefore be suggested that these three cases appear atypical of most consulting projects. However, Czerniawska (1999) argues, in the late 1990's clients have become more demanding of consultants expecting them to deliver quantifiable results rather than just reports. This "action-based" as opposed to "fact based" (Czerniawska 1999, p. 110) consultancy methodology, Czerniawska argues will be the norm in the future. As a result of the consultants being present during implementation,
aspects of the CCR appear to benefit or suffer during the course of the project on the basis of the perceived success or failure of each recommendation. Judy, for example, describes a situation where she implemented one of the consultant’s recommendations that “worked”. She then proceeded to describe how this “helped” her “trust him in other decisions”. Conversely, Bruce describes how at the end of the project, “when we were looking for conclusions”, the implemented recommendations of the consultant were having no impact and how his “confidence in the consultant and project declined”.

**Project Aims**

Another important contextual factor involves an examination of the aim of each consultancy project. Each of the three businesses appears to have been experiencing a similar problem prior to a decision to approach DSRD and engage a management consultant, i.e., a declining level of turnover and profit. Judy first stated that the business was “performing reasonably well” prior to the consultancy, but she conceded that there was a “decline in the bottom line” and that the level of this “decline” was of “concern”. John describes the turnover of his business as decreasing by 50%, whilst Bruce states that his turnover had decreased “by over 30%”. That is, all three businesses, were experiencing varying degrees of decline, and the principal aim of the consultancy is stated by all three respondents as being to arrest and reverse this decline – to “turnaround” the business. This appears to be in conflict with the stated aims of the SBEP (refer Appendix I), to assist SMEs in the expansion of the business, rather than identify and remedy specific organisational problems. It appears that the ability of the consultant to “turnaround” the business, represented an important criterion against which the client has judged both the project and the consultant. All three clients refer to the change in financial performance (positive or negative) as influencing the CCR. For
example, John states that as the turnover and profits increased it gave him “good feelings” about the consultant.

The ability of the three consultants to arrest these declines was mixed. Judy describes the project as resulting in a “degree” of turnaround. In John’s case, not only has the decline been arrested, but the business is experiencing a significant growth phase. In Bruce’s case, the business has continued to decline significantly. It could be suggested that these results represent the quantitative, more measurable indicators of the consulting project’s success in each of the three cases, though other factors might be involved in these results.

**Project Outcomes**

Bottom line figures are not the only outcomes in each case. For example, an increase in the client’s knowledge of small business management processes and techniques is stated by all three clients as another desirable outcome. Judy, for example, when asked what was the single biggest thing gained from the consultancy refers to how the consultancy “broadened her knowledge base” on managing a small business. Similarly, John refers to the project as a “learning process”. He admits the “growth”, which he attributes directly to the consultancy, as important, but “equally important was what I learnt about our business…and how to do budgets and work to margins”. Even Bruce, who admits the consultancy “did not solve the problem”, describes the “exercise” as “worth it simply because of the knowledge gained from the process…the overall knowledge on how to be a better manager of a small business”. It is interesting to note that this finding is consistent with similar findings from studies of SMEs in business networks (e.g.
Fulop 1998), yet is not identified in any of DSRD’s literature as a recognised outcome or benefit of the SBEP.

An examination of the key contextual factors in the three cases indicates that the consulting literature does not, generally, recognise or understand fully the impact these factors can have on a consultancy project. For example, the consulting literature does not suggest that frequency of contact and the duration of project are factors in the development of a positive or negative CCR. The consulting literature also does not acknowledge neither the trend towards, or impact of consultants being present during the implementation of their recommendations, a notable exception being Czerniawska (1999). Similarly, the literature affords little attention to how a client might value the notion of learning as an important criterion against which to judge the success of a project.

An analysis and discussion of the interview findings and data now follows. This data is discussed under each of the key aspects of the CCR on which this study focuses, trust, power and the comfort zone. This discussion concentrates on examining not only the degree of ‘theory fit’ between the literature and each case but also how these findings provide insight and answers to the research questions asked in the Introduction to this thesis. Including, what other factors apart from the consultant’s ability to financially “turnaround” the business and increase the client’s knowledge of operating a SME might be significant factors in how the success of a consultancy is judged.
TRUST

Within the management consulting literature, trust is recognised as one of, if not, the most significant aspect of the CCR (Lipton 1995, Stroh 1987, McGivern 1983, Block 1981). However, having once given priority to trust in the CCR, the consulting literature does not then proceed to provide any detailed discussion of the basis, nature or type of trust in the CCR. In the following discussion, the findings on trust identified in the previous chapter, including how the level of trust in the three cases changed and the client’s conceptualisation of trust, are discussed. A feature of this discussion is the suggestion that trust, in each case, can, at various times during the consultancy, display characteristics associated with what Ring (1997) has labelled as fragile and resilient trust.

When asked if they trusted the consultant, the response in all three cases was not only positive, but suggested that the level of trust was high. Judy, for example, stated that she trusted Paul “very much”; John, used the term “totally”; and Bruce replied that he trusted Lyn “absolutely”. However, the perceived basis, nature and type of trust appears to have varied between clients and over the course of the consultancies. This is evidenced by: each client’s stated conceptualisation of trust; their decisions to implement recommendations; and how they reported the level of trust changing during the project. Each of these are now discussed in turn.

Conceptualisation of Trust

Each client perceived the term ‘trust’ in a different manner. Judy, describes trust in terms of “somebody who you felt you could rely on…who was competent”. In other
words, Judy places emphasis on the consultant’s consistency of behaviour and his technical competence, aspects of trust that Ring (1997) and others, associate with fragile trust. A type of trust where ‘risk’ is perceived as a significant factor or where there is a probability “…that future outcomes associated with the transactions will be as predicted” (Ring 1997, p. 120). John appeared to perceive trust in fairly narrow terms, that is, on the basis of what level of information was revealed to the consultant - what the consultant is shown. When describing what he perceived the term trust to mean, Bruce was quite explicit, saying that he regarded trust in “two ways...the major way is the honesty factor...the other is the confidentiality factor”. This “confidentiality factor” appears to parallel John’s view that trust, in the CCR, is about what a consultant “sees”. This, and Bruce’s “honesty factor”, match two of the nine factors that Gabarro’s (1978) research has shown are frequently associated with the term trust and that he labels as discretion (confidentiality) and integrity (honesty). These are also factors that Ring (1997) suggests relate to “…conditions that give rise to resilient trust” (Ring 1997, p. 123), that is, a form of trust dependent on “…faith in the moral integrity or goodwill of others” (Ring 1997, p. 122). Even though each client’s overall perception of trust can be matched to factors associated with either fragile (Judy) or resilient trust (John and Bruce), as discussed later in this chapter, in each case there is evidence to suggest that at different times during the project trust alternated between these two forms.

Implementing Recommendations

The literature (e.g. McGivern 1983) suggests that trust is likely to be a factor in the decision by a client to implement a consultant’s recommendations because of the potential for ‘risk’ associated in the possible failure of a recommendation. In the interviews, Judy used the term “faith” to describe her decision to implement the
consultant’s recommendations - "we were taking that leap of faith". The “faith” to which Judy refers does not appear to be in the recommendation itself, rather it appears to be in the consultant’s competence. This is evidenced in Judy’s statement that she was “taking that leap of faith…that he [the consultant] had the experience…expertise…. he knew what he was doing”. In contrast, John, who implemented all the consultant’s recommendations, even though he did not always understand the reasons for them, refers to the recommendations themselves rather than the consultant. When asked why he implemented all the recommendations, his reply was, “you had to trust they [researcher’s emphasis] were going to work”. John’s statement indicates an expectation that the outcomes of the recommendations would be successful. When Bruce, who also implemented all the consultant’s recommendations, was asked why, he claimed that he had “faith in this person [the consultant]”. As in the case of Judy, explicit in this comment is the notion that the “faith” to which Bruce refers was in the person not the recommendations per se. In other words, he does not appear to make the decision to implement Lyn’s recommendations on the basis of the merit of the recommendations themselves. Rather, they appear to have been implemented on the basis of Lyn’s perceived technical competence and associated expectation that the recommendations would therefore have successful outcomes.

It is of interest that both Judy and Bruce use the term “faith” to describe their decisions to implement the consultant’s recommendations. As discussed in the literature review (page 33), the term “faith” can involve different constructs to the term “trust”. In the literature, it is widely accepted that the notion of trust involves a conscious recognition of risk and vulnerability. It is unclear if Judy and Bruce consciously differentiate the use of these terms, “faith” and “trust”, or if they are used interchangeably to represent the
same notions. Since Judy and Bruce refer, in the transcripts, to experiencing a degree of uncertainty about the outcomes of the consultant’s recommendations prior to their implementation, Judy, for example, refers to implementing “things...not real sure about”, it could be suggested they do connect “faith” with a sense of risk. That is, it appears likely that they have used the word “faith” without distinction from the word “trust”. If this is correct, trust in the consultant appears to have been a significant factor in Judy and Bruce’s decisions to adopt the recommendations of the consultant.

Changing Levels of Trust

By examining when and why the level of trust appears to have changed during each consultancy, there appears evidence to support the proposition, made earlier in this chapter, that trust, in these three cases, displays characteristics associated with both fragile and resilient trust.

What Judy labels as “trust” in their relationship appears to have risen and then “waned” in the latter stages of the project as Judy began to regard Paul as “milking” or “stretching” the project. In Judy’s case, it appears that Paul’s “knowledge” and “experience” were important in the early stages of the consultancy in establishing a foundation of trust. This type of trust, relying on Paul’s technical competency, seems to have been fragile trust. Then, as each recommendation was implemented and perceived as successful, it appears Judy’s “trust” increased, possibly indicating a transition toward resilient trust. Such transitions or transformations are not an uncommon occurrence (Ring 1997). However, when Paul failed to meet Judy’s expectations to end the project, when she considers all had been achieved, Judy admits her trust in Paul “waned”. This expectation by Judy that Paul should not engage in what she appears to judge as
opportunistic behaviour, appears to have been based on her perception of his moral
goodwill, rather than on an expectation arising from a formal agreement as to when to
end the project. It could be suggested that Judy lost trust because her expectations, in
terms of Paul’s moral integrity, were broken, factors most often associated with resilient
trust. As a result of this “waning” of trust, Judy withdrew her co-operation as evidenced
by her not being “100% frank” and ceasing to reveal further information to Paul. What
is suggested from this explanation for rising and “waning” of trust, in this case, is the
presence of characteristics associated with both fragile and resilient trust.

In the case of John, trust is described as growing stronger over the length of the project,
as the consultant’s recommendations were implemented and the financial performance
of the business improved. However, John admits to being “hesitant at the start but…we
ended up giving him everything”. As in the case of Judy, John links this increase in trust
to witnessing Phil’s “ideas start to work”. At this stage in the relationship, trust could be
considered as being based on expectations for the success of the consultant’s
recommendations rather than any moral integrity, suggesting fragile trust. As John sees
Phil’s early recommendations bring positive benefits, his confidence in Phil increases
along with his trust in Phil – “we definitely got more and more trust there”. At this same
time, there appears an openness in John and Paul’s communication – “I never felt I
couldn’t ask him anything”. This suggests a move to a deeper level of trust occurred,
which was based on social rather than economic exchanges, suggesting the development
of resilient trust. In other words, trust in this case appears to have moved from fragile to
a form of resilient trust during the course of the consultancy project.
Even though Bruce states that the level of trust did not change during the consultancy, he does admit that he did not show Lyn "the books on the first meeting", but when he "knew" he could trust her he revealed "everything" to her. Bruce cannot explain what signalled to him that he could trust Lyn, stating that "you just knew you could trust her". It would appear from this description of events that in the early stages of the project Bruce acted in a guarded manner, suggesting the presence of fragile trust, that is, a level of trust only sufficient to "lubricate economic exchanges" (Ring 1997, p. 125). This form of trust also appears to have been dominant when it came to the decision to implement Lyn's recommendations. Unlike the other two cases studied, as this consultancy proceeded, Lyn's recommendations had no positive effect on the financial position of the business. Following his perception of the failure of Lyn's recommendations, Bruce introduced a second consultant, at which point, he conceded that Lyn appeared to "lose some interest" and the consultancy ended. It would appear from these events that the relationship between Bruce and Lyn ceased to have a moral basis, but rather was simply of a contractual nature. This proposition is supported by comments made by Bruce, including "I was paying her" and "she was working for me", both comments suggesting Lyn was seen as an employee engaged under a fee for service contract. This again would tend to support the suggestion that trust in this relationship was only of a fragile form. However, in other aspects of the relationship, characteristics of resilient trust are apparent. For example, as Lyn met Bruce's expectation in terms of her honesty and ability to maintain confidentiality, that is, she showed her moral goodwill, he revealed "everything". These actions suggest the presence of resilient trust, if only fleetingly, in the relationship.
An analysis of the perceived basis, nature and type of trust in each of the three cases suggests that trust appears to be perceived by the clients as involving different notions, confidentiality (John and Bruce), honesty (Bruce) and reliability (Judy). It also appears that trust has been a factor in each client’s decision to adopt the consultant’s recommendations and that both Judy and Bruce, appear to have placed their trust, or as they express it “faith”, in the consultant’s expertise rather than in the merit of the recommendations. Only John referred to having trust in the recommendations themselves. In the two cases where trust is described as increasing, the case studies of Judy and John, this increase is attributed to the successful implementation of the consultant’s recommendations early in the project. Only in case one, Judy’s case, is trust described as having “waned”, after first rising. This fall in trust is associated with her expectations for the consultant’s behaviour as not being met. In all three cases there is evidence to suggest the presence of characteristics that are associated in the literature with both fragile and resilient trust. In other words, the client’s perception of the nature of trust appears to move freely between fragile and resilient trust depending on the circumstances of a particular situation. This appears to support de Laat’s (1997) argument that trust can move in an upward or downward direction, although neither de Laat (1997) or Ring (1997) refer to trust as moving freely or oscillating between fragile and resilient forms. In summary, in each of the cases examined, trust appears to have been an important aspect of the CCR, just as the consulting literature indicates and has also been significant in the client’s decision to adopt or reject the consultant’s recommendations.

In the section that follows, power is analysed and discussed in respect of the interview findings. Findings include the suggestion that power was not the sole domain of the
consultants, as suggested in the literature, with the consultants in two cases being attributed with having “no power” at all.

POWER

In the literature review of Chapter 1, power emerged as a potentially important aspect of the CCR and a factor in the adoption of a consultant’s recommendations. The image presented in the literature (e.g. Clark 1995, Block 1981, Schein 1969) suggests that power is the sole domain of the consultant, and they use this power to manipulate a perception in the client of their credibility, authority and as Rifkin and Martin (1997) suggests relevance, creating in effect a sense of dependency in the client. These notions of manipulation and dependency are frequently used to reinforce negative perceptions of the consulting industry (e.g. O’Shea & Madigan 1998, Micklethwait & Wooldridge 1996). However, this was not a finding of this study, as the following analysis and discussion show, this image is distinctly different to the way the consultant’s power appears have been perceived by the respondents in the cases studied.

In two of the cases studied, the respondents perceived they had a considerable degree of power in the CCR compared to the consultant. A possible explanation for this apparent discrepancy between these cases and the literature could be that all three respondents were responsible for the selection and engagement of the consultant. As a result, they may have perceived that, from the beginning of the project, they had the power of ‘hiring and firing’ – a point requiring further research in subsequent studies. In the section that follows, power is discussed in each of the cases, by exploring 1) what the
client perceived as the basis of each party’s power, and 2) if they perceived power to be have been in balance or favouring one party over another.

The Basis of Power in the CCR

In each case, the respondent appears to perceive the basis of power differently. Judy, describes herself as having the “final power” in the CCR, both over Paul and over the project itself. This power, she claims, rested with her ability to decide on which, if any, of the consultant’s recommendations to implement and to draw a halt to the project at any time. In this respect, Judy considers that she has “a little bit more power” than the consultant. However, Judy also acknowledges that the consultant has power over her. As she expresses it, “I suppose he had power over us because we perceived that he had the knowledge that we wanted to gain”. Judy appears to be clearly conscious not only of her own power within the CCR, but she also attributes a degree of power to the consultant and can articulate her perception of the basis of each party’s power. It would appear, to use French and Raven’s (1959) typology, that Judy perceives the nature of her power as “legitimate power”, i.e, as she has engaged the consultant so she has the legitimate right to end the project, whilst the nature of Paul’s power is coupled to his knowledge, i.e, “expert power”.

In the case labelled an example of a “good” CCR, John reported not having felt the exertion of power within the CCR. He openly states that he “wasn’t aware of any power” over Phil and that Phil “had no power over” him - “that he could see”. John had experienced, in relationships with other individuals, what he terms “power struggles”. So, he appeared aware of how power could be exerted in a relationship, but he did not associate such notions with his relationship with Phil. John does qualify his comments
by suggesting that perhaps he might have been manipulated by Phil in so subtle a manner that he was unaware of such manipulation. A factor in why John states that he was unaware of any power in the relationship, and that Phil had no power, could be the manner in which the consultant was selected for the project. John stated that a reason for the selection of Phil was that he was “someone I could work with”. Perhaps, at this selection stage in the consultancy, John formed an opinion of Phil in terms of his power and the likelihood for a “power struggle”. It is of note, that John rejected another consultant for the project on the basis that he was seen by John as “arrogant”, implying this consultant projected a perception of power and perhaps potential conflict unacceptable to John.

In contrast, Bruce is clearly conscious of power within the CCR. Most notably, he appears to perceive this power as one-sided. When asked if he was conscious of any power he might have had over the consultant, Bruce responded (loudly) that he was “never disenfranchised...there was never a time when I felt I did not have power”. It would appear that the nature of this power rests in his perception that he was “always in full control of the business and the direction of the consultancy”. In other words, it appears that he never felt that he was relinquishing any form of control of the organisation to Lyn. Of particular note, Bruce refers to Lyn as an “employee” and, as a result, he comments that she had “no power” at all. This comment stands in contrast to his later comments in which he suggests the CCR involved an element of equality between both parties – “there was never any dominance...never any subjection”. To reconcile this apparent contradiction, it could be suggested that Bruce appears to consider only his position within the CCR, that is, he never felt dominated or under subjection. Lyn, however, might have perceived the relationship quite differently in this
respect. In other words, the bulk of evidence from the interview data suggests that Bruce’s attitude to Lyn did involve a sense of dominance and use of power, specifically his dominance of the project, and possibly the CCR and Lyn herself. This interpretation of the evidence is supported by comments from DSRD officers familiar with the case, who indicated the issue of Bruce “controlling” both Lyn and the consultancy was in their opinion a “major factor” in the breakdown of the CCR and the consultancy project itself.

The Manipulation of Power versus “Expert Status”

Within the literature, there is the assertion that a consultant’s power is frequently embedded in the client’s perception of their expertise, relevance and alignment with the client’s interests (Rifkin & Martin 1997), and this form of power is used to manipulate the client and project in a selfish, deliberate or devious way (Clark 1995, Lipton 1995, Block 1981, Schein 1969). Attention is frequently drawn to this negative aspect of consultancy practices (e.g. O’Shea & Madigan 1998, Micklethwait & Wooldridge 1996). In the cases studied, there was no evidence to support this assertion in the literature, although there is evidence to suggest that perceptions of the consultant’s knowledge and experience were important in creating a form of what Rifkin and Martin (1997) have labelled “expert status”. Rifkin and Martin define “expert status” as “a measure of authority over a conversation” (1997, p. 31) which in turn can influence decisions that the client sees as relevant. That is, the evidence suggests the clients heeded but did not feel dominated by the consultants.

Although Judy acknowledges that Paul’s power base is linked to her perception of his expertise, relevance and alignment with her interests, Paul does not appear to have taken
advantage of this perception to create an overt sense of dependency in Judy. However, there is evidence to suggest that Paul did negotiate to gain expert status in Judy’s eyes, which encouraged adoption of his recommendations. For example, Judy described how she and Paul discussed cutting trees at the front of her business. In this statement, Judy described how Paul “explained his reasoning” and gave examples where he had “done similar things at other businesses”, which could have heightened his relevance. What is suggested in Judy’s description is that Paul depicted his experience and expertise in a way that gains expert status, a status that appears important in Judy deciding to adopt Paul’s recommendations. When late in the consultancy Paul seemed more in pursuit of his own interest rather than Judy’s, “milking the project”, his expert status fell in Judy’s eyes.

Similarly, Phil appears to use perceptions of, what John labels, his “experience and knowledge” to gain expert status in their conversations rather than gain control over John or the project. John appears to be clear in his perception of how someone such as Phil might “manipulate” his power in an attempt to “make himself look good”. In other words, John might be considered capable of distinguishing the notion of manipulation to gain authority from attempts by the consultant to give, what John labels, “direction” to the consultancy.

Bruce, who affords the consultant Lyn with “no power”, appears to have credited her with expert status. Bruce, labels her “the expert”, and describes how he would listen to her advice and implemented all of her recommendations.
It would appear from this discussion and evidence, that the current literature (Clark 1995, Lipton 1995, Block 1981, Schein 1969) could be clearer in differentiating between a consultant using perceptions of their experience and knowledge in some manipulative way to gain authority and using the same perceptions to gain a form of expert status and the adoption of their recommendations.

The Balance of Power

The literature (Clark 1995, Lipton 1995, Block 1981, Tilles 1961) asserts that power within the CCR needs to be in balance for the development of a productive or collaborative CCR. This collaborative form of CCR is frequently regarded and offered in the literature as the ideal CCR (e.g. McGivern 1983, Schein 1969).

Judy considered the power between herself and Paul to be in balance – “we looked at each other pretty much as equals”. This appears to be related to her contention that each would “listen” to the other’s point of view. Judy stated that “he would respect my opinion, and I would respect his opinion…It comes back to respecting each other”. Such signs of mutual respect can be understood to indicate to each party that power between them was in balance. It also appears in this case that mutual respect has its roots not just in the way each would formally communicate. Judy refers to a “feeling you get about the way somebody reacts to your question”. This “feeling” proved difficult for Judy to expand on in interviews. It could also be suggested that mutual respect in this case involves a sense of reciprocity, a contributing factor in Judy describing the power in the relationship as in balance.
Judy stated that she approached the project as a learning exercise with the intention of “gaining knowledge, gaining information”. To achieve this purpose, it could be suggested that Judy, by offering respect to Paul through their communication and through the provision of such material “gifts” (Fulop, Linstead & Frith 1999, p. 149) as confidential information about the business, created a sense of indebtedness and obligation of Paul to reciprocate by way of a gift - the information and knowledge she wanted. The exchange of these gifts could be interpreted as signs between Judy and Paul that power was in balance. It is noteworthy that when Judy started to feel Paul was “milking” the project she admits to stopping the exchange of “gifts”, i.e. confidential information about the business.

Like Judy, John also considers himself an equal in the context of the balance of power that existed between himself and Phil. John appears to base this perception on the premise that he and Phil have no power over each other. This appears in contrast to the previous case, where Judy considers both she and Paul as having power. Perhaps, the statement by John that there was no power should be interpreted cautiously. It could be suggested that John was not aware of the exertion of power in this relationship because it felt in balance and there were no perceived “power struggles”. In other words, power was present in the CCR, but was not recognised by John since it felt in balance.

Power in the relationship between Bruce and Lyn may have been a significant factor in the deteriorating nature of this CCR. It is of note that Bruce considers that he signalled a sense of equality and “respect” to Lyn by what he terms, the “usual body language way”, that is, his body actions during conversations. However, this “respect” does not appear to have been mutual respect. When Bruce was asked how easy it was to ask
questions of Lyn, he stated that it was "easy" and described how Lyn was at "great pains" to reply "as well as possible and as promptly". This suggests that Lyn was not dismissive of Bruce but rather showed a degree of respect in attempting to respond to Bruce's questions. However, Bruce goes on to state that "the answers were not what I wanted to hear". Implied in this response is the suggestion that Bruce could have been dismissive of Lyn's responses to his questions. In other words, Lyn might have showed respect to Bruce, but conversely, Bruce could have appeared to Lyn as disrespectful in some of his actions. This action by Bruce suggests the possibility that gender differences could have been a factor in this CCR. The role of gender, specifically homo-sociability, in this and the other cases is examined later in this chapter.

In summary, the emphasis placed on power in the CCR by the consulting literature appears to be well founded. In all three cases, perceptions of power appear important in influencing the CCR that developed and in the adoption of the consultant's recommendations. However, in contrast to the literature (e.g. Lipton 1995), in the CCRs studied, power does not appear to be regarded as the sole domain of the consultants. The client's in two cases, Judy and Bruce, perceived they had more power than the consultants. In addition, rather than perceptions of a consultant's experience and knowledge being used in a manipulative fashion to create a sense of authority over the client as suggested by Clark (1995), Lipton (1995), Block (1981) and Schein (1969), these perceptions appear to have been used to develop a sense of what Rifkin and Martin (1997) has labelled "expert status". That is, a sense of authority over conversations that can lead to "direction" for the project, rather than control over a person. It also appears from evidence in the cases of Judy and Bruce, to support the assertion in the literature that power needs to be in balance for the development of a
positive CCR (Clark 1995, Lipton 1995, Block 1981, Schein 1969, Tilles 1961). However, from the evidence in these cases, the assertion needs to be modified to consider that power needs to be perceived to be in balance, and this needs to be signalled by recognised signs of mutual respect. From the cases studied it appeared that power, in each case, was linked to exchanges that took place during the project, and as a result, notions of reciprocity.

In the section that follows the significance of a comfort zone in the CCR is discussed.

**COMFORT ZONE**

The term 'comfort zone' has been used in this thesis to represent the socio-emotional aspects of the CCR that influence the establishment and sustainability of a comfortable working relationship. The interview findings, described in the previous chapter, provided insight into what the clients considered important components of the comfort zone. The interview findings indicate that the significance and impact of the comfort zone on the CCR are influenced by how the client perceived their level of similarity with the consultant, why they chose the consultant they did, and the influence of any prior perceptions they had of the CCR.

**Similarity and Likability**

The literature (Franzoi 1996, Vaughan & Hogg 1995, Gergen & Gergen 1981) supports the notion that common interests and personal similarities between a client and consultant are likely to be important factors in both the initial formation of - and sustainability of - a comfortable working relationship.
In the case of Judy and Paul, Judy considers that she had a “good working relationship” and she could “communicate freely” with Paul, yet she makes the significant qualification that “I don’t know whether as individuals we probably had a lot in common”. This comment could be interpreted as suggesting that Judy did not consider that she and Paul shared similar opinions, likes and dislikes. This interpretation is supported by Judy’s response to the interview question in which she was asked if she regarded Paul as a colleague or friend. Judy responded by describing Paul as a “colleague” rather than as a “friend”. When asked why she prefers to use the term “colleague”, Judy’s response relates to her perception of Paul as someone she was “gaining knowledge from...more on that level...rather than a friend whom you might discuss things other than business with”. This distinction in their relationship is maintained on occasions when they socialised outside the business. On such occasions, Judy describes the conversation as being mainly work related and drifting only “a little bit into private things...him going on holidays”.

Perhaps, another factor in why Judy preferred to label Paul a “colleague” could involve the fact that he is male. Judy stated that a friend was someone you discuss things other than business with. Perhaps since Paul is a male, Judy felt a social barrier that prevented the discussion of personal details. McKnight and Sutton (1994) argue that similarity in gender is an important factor in establishing friendship and in allowing open and free communication between individuals. This psychological tendency to connect more positively with a member of the same gender, what is labelled in this thesis, homosociability, might have been a significant factor in not only this case but also in the other two cases studied, a notion pursued later in this chapter.
It is also of note that in describing Paul as someone she was “gaining knowledge from”, Judy’s response suggests that she might have considered his role in the CCR as that of an educator. That is, she adopts a role approach to the CCR similar to that described by Kubr (1986). In this regard, Judy even uses the term “role” at one stage in the interviews to describe Paul’s function in the consultancy process. It could also be suggested that, by describing Paul as an educator, Judy implies a set of expectations that he possesses the “knowledge” she is seeking, that he will share this knowledge and that he will maintain the social distance characteristic of an educator. That is, Judy’s perception of Paul in the role of educator involves expectations of how he will behave and act in their relationship.

In the case of John, even though he admits to a “friendship of sorts” with Phil, like Judy, when asked in interviews if he would label the consultant as a colleague or friend, he responded that he would label Phil a “colleague”, preferring to “keep it [the relationship] straight business”. Like Judy, John appears to categorise people into colleagues and friends principally on the basis of the conversations he has with them, specifically the content and purpose of those conversations. John states that “we don’t sit down and talk about the weekend’s footy scores”. It might be suggested that since John and Phil did not discuss such issues as “the weekend’s footy scores” they found little in common beyond the “business” and the consultancy itself.

Bruce is blunt in terms of clearly indicating that he and the consultant Lyn had little in common. As Bruce expresses it, “we had different backgrounds; we were from totally different worlds”. When asked in follow up interviews to elaborate on this comment, Bruce suggested the difference in their ages and personal interests as the reason for his
comment. Bruce, however, did not elaborate beyond nominating these two reasons. He
did not specify how these two factors influenced his opinion that he and Lyn had
nothing in common.

For Judy and John, the perceived lack of similar backgrounds and interests did not have
a significant influence on the formation or sustainability of the CCR. However, in the
case of Bruce, there might be some link between the perceived lack of common interests
and the negative CCR that developed. If this is correct, and Bruce felt this lack of
connection with Lyn from the outset of the project, a question arises, why did Bruce
select Lyn for the consultancy over the other consultants?

Choosing a Consultant

According to Lipton (1995), Hankinson (1990) and McGivern (1983), the process by
which a client selects a consultant for a consultancy project might provide insights into
the ‘comfort zone’.

Judy selected Paul for the consultancy on the basis of his “presentation” together with
his “skills” and “experience” relevant to her perceived needs. However, Judy states that
“one of the major things” in the selection of Paul was his “holistic approach”. This she
describes as the way he talked about the business and its “impact” on her family and
personal life. It was Paul’s “holistic approach” that perhaps struck a sympathetic chord
in Judy, a chord that appears to have been a major factor in the selection of Paul and
might be interpreted as important as the basis for a common bond between them.
In contrast, John nominated Phil's proposed approach and methodology - "the way he wanted to do it" together with the "fact that it seemed as if we could get along" as the main reasons for the selection of Phil. In the interviews, John also made reference to Phil's "general knowledge of all business aspects" as a factor in the selection process. In other words, selection was made on the emotional grounds of how they would "get along" and the pragmatic grounds of Phil's perceived knowledge.

The primary selection criterion adopted by Bruce in the selection of Lyn appears to have been the fact that he perceived her, at the time, as having the "skills" needed in the "areas" that he considered the business was deficient in, particularly "customer service". Another potential factor in the selection of Lyn is evident from the fact that Bruce admits that he liked Lyn because she was "personally very attractive". It is argued in the social psychology literature (e.g. Gergen & Gergen 1981) that features such as personal appearance frequently influence initial impressions but cannot sustain a relationship in the longer term. Perhaps, the combination of selection based on the wrong skills and personal appearance have been factors in the breakdown of this CCR. As discussed later, homo-sociability might also have been a key factor in this CCR.

Credentials

It is of interest to note the clients did not emphasise the academic credentials of the consultants. Judy did not make reference to Paul’s academic credentials, John made the statement that he did not "look at credentials" when employing people, and Bruce did not make reference to the academic credentials of Lyn. This lack of emphasis by the clients on academic credentials is in contrast to the argument of Bashein and Markus (1997), who, when discussing the relationship between IT consultants and their clients,
imply that formal qualifications are an important component of a consultant’s perceived technical expertise. In this study, perceptions of a consultant’s technical expertise appear to be dependent more on the client’s perception of their experience than formal academic qualifications. Perhaps, the clients in an IT consultancy know little about IT and so defer to academic qualifications, whereas with management consultants, clients consider that they know a great deal about business and so consider practical experience of greater relevancy than theoretical knowledge.

Feelings
In all three cases, the clients made reference to what they labelled a “feeling” about the consultant. However, despite follow-up questioning, no respondent was able to fully articulate either the attitude or the emotion they have referred to with the term “feeling”. The inability of the respondents to articulate on the term “feeling” appears to be shared with findings of the consulting literature (Lipton 1995, McGivern 1983). The literature appears to accept the existence of some form of “chemistry” that dictates that “people either get on or they do not” (McGivern 1983, p. 368).

Judy makes reference to a “feeling” between her and Paul. This “feeling” is difficult for Judy to articulate, yet it seems to have been important in allowing her to feel comfortable with the consultant. John states that a positive feeling about Phil was an important factor in his selection. John describes Phil as “someone I could work with, someone I could trust”. When asked in follow-up interviews to elaborate on this perception of Phil, John had difficulty, referring to it simply as a “feeling...we immediately clicked”. In the interviews, Bruce also refers to a feeling in the relationship
between himself and Lyn, although in contrast to the one between John and Phil, it
involves negative feelings - “it’s just a feeling, things were not right between us”.

The origins of “chemistry” or “feeling” by Judy and John appears evident when they
attempt an explanation of why they liked the consultant. Judy links her liking of Paul to
her perception of him as “easy to talk to, easy to get along with”, that is, the apparent
ease with which she could communicate with Paul. John describes Phil as someone who
would be “honest” with him and inform him of the reality of a situation rather than
withhold information or comments because he might “think they are going to upset”
him. The perceived honesty of the communication appears to be a factor in the
establishment of a bond between John and Phil. This perceived honesty also appears to
carry with it an expectation on the part of John that Phil’s role in the relationship
involves him calling it “straight...if he thinks we are on the wrong track”.

In the case of Bruce and Lyn, insight into the term “feeling” can be found in the
comments that Bruce makes when he considers why he liked the second consultant he
engaged compared to Lyn. Bruce makes the point that the second consultant was “a
fellow” and “we had more in common...he seemed to understand our problem better”.
Bruce liked the male consultant compared to Lyn potentially due to the fact he was of a
similar age and gender. The gender of each consultant is an aspect of the CCR the
literature is silent on.

Prior Perceptions

The client’s perception of management consultants prior to the project might have had
an influence on the CCR in these three cases. In each case studied, this was the first
time the clients had engaged the services of a management consultant. In all three cases, the clients admitted that their perceptions of management consultants prior to the project involved a degree of, what could be labelled, scepticism, about the value of a management consultant's services to a business. Judy appears to have held negative views toward management consultants, having relied on information from popular business magazines and newspaper articles to form her original "concept of consultants" as "more for the top end of town...probably expensive, perhaps out of reach". John appears to have held similar, negative opinions as evidenced in his comment, "I wouldn't have had one [a consultant], if someone would have told me I would ever need a consultant, I would have laughed in their faces...until I needed one". Bruce made the strongest statement in this regard. His attitude to consultants prior to the consultancy is summarised in his statement that there appeared little that they could tell him after twenty years in small business.

In all three cases, a contradiction appears in that if all the respondents held negative opinions of management consultants, why did they engage their services? An answer to this contradiction might be found by acknowledging that all three businesses were in some difficulty prior to seeking the assistance of DSRD and that the only form of subsidised assistance available through DSRD involved the use of a consultant to prepare a business plan. If other forms of subsidised assistance were available from DSRD, would the three respondents have chosen to engage a consultant? This is an issue that is in need of examination in a subsequent study.

Despite the level of scepticism concerning management consultants, none of the clients suggested that this influenced the outcomes of the projects or the CCR that developed. It
is of note that, by the end of each project, each of the three clients had changed their
general opinions of the value of consultants to small businesses such as theirs. This is
regardless of either the type of CCR ("typical", "good" or "bad") experienced or the
success of the consultant in turning around each of the businesses. This suggests that
prior perceptions were not a factor in how these three clients judged the success of the
project.

At the end of her association with Paul, Judy considered the use of consultants as a
"definite advantage for any business" because of their ability to offer new ideas and
perspectives as a result of their experience gained from working with a range of
businesses. Because of the success of the consultancy both in terms of "turning around"
around the business and the nature of the CCR, John could be expected to have changed
his attitude toward the use of consultants, and so he did. John now encourages his
"subbies" (sub-contractors) to use consultants, though the cost of consultants appears to
be a factor in his "subbies" decisions not to engage consultants. Even Bruce, who
experienced both a "bad" CCR, and despite the use of two consultants, a continued
decline in his business, stated that he would "make use of a consultant again". When
asked why, his reply was that "they can teach you a lot, and it is important to have
someone external to the business...it is comforting when your business is in decline to
have someone put a perspective on things". It would appear from these statements, that
a factor in judging the success or failure of the consultancy project itself, as opposed to
the CCR, in these three cases, has included not only the ability to "turnaround" the
business but also what has been learnt about operating a SME and what new
"perspectives" on the business have been gained by the client.
In attempting to come to some form of conclusion regarding the notion of a comfort zone in each of the three cases, the overriding difficulty is that its conceptualisation involves attitudes and perceptions that are difficult for each of the clients to express. However, there does appear sufficient evidence to suggest there existed the presence (Judy and John) or absence (Bruce) of some form of bond between the client and the consultant. The origins of this bond do not appear to lie, as the literature suggests, in shared personal interests outside the business. Rather, this bond appears linked to such issues as the approach adopted by the consultant to the consultancy project, the quality of the communication that flowed between them, the gender difference, and shared expectations for the outcomes of the project. Some of these factors parallel what Buttery and Buttery (1994) list as factors in the establishment of bonds between organisations in business networks, e.g. mutual expectations.

In all three cases, there is evidence to suggest that Judy, John and Bruce conceive the CCR and, in particular the notion of a comfort zone, as having limits. No client was prepared to consider his or her relationship with the consultant on a par with that of a friend. Rather, it would appear in all cases, that there existed a social barrier that prevented the respondent from labelling the consultant a friend. It would seem that Judy and John consider the role of the consultant as involving a set of expectations that influence how the consultant will behave and act, perhaps with the social distance of an educator. These roles and associated expectations appear important in defining the nature of these CCRs and the establishment of a comfort zone.

In difference to the literature (e.g Hankinson 1990), prior perceptions of management consultants do not appear to have influenced the CCR in these cases. However, the
views of the clients at the end of each project suggest that three factors may be significant in how they judge the success of a consultancy project, the financial gains, the level of learning achieved regarding the operation of an SME, and what new perspectives on the business were gained by the client.

In the section that follows, aspects of the CCR that emerged as important in understanding the CCR and its impact, or are valued by the respondents but are not afforded significant priority in the consulting literature are discussed.

EMERGENT THEMES

To this point, the analysis and discussion has been restricted to only the key aspects of the CCR that emerged from the literature review in Chapter 1. However, from the data, there appear several aspects of the CCR that either the clients afford high priority and the literature does not or are important in understanding the CCR. In this section of the chapter, communication, homo-sociability, obligation, reciprocity and commitment and the formation of a tacit agreement are discussed.

Communication

Perhaps the most important insight into the CCR from each of the clients can be found in their response to the question of what they consider the most important feature of any CCR. Judy offers “communication...you need to be able to communicate freely” as the single most important aspect of a CCR. In response to this question, John places emphasis on “personality...you have got to be able to work with the person...so communications and trust have to be pretty good”. In response to the same question,
Bruce places emphasis on “confidence...the consultant has to demonstrate a competency...early in the piece”. Each client suggests a different element, but Judy and John both emphasise “communication”. An examination of the transcripts in all three cases reveals frequent reference to such aspects of communication as “listening”, “talking”, “discussing”, and “body language”. Although communication is recognised in some theories on trust (e.g. Flores & Solomon 1998, Hardy et al 1996), in the existing literature, little attention has been afforded this aspect of the CCR. When communication has been discussed in the consulting literature, it is done so in terms of what communication skills are required by the consultant (e.g. Bashein & Markus 1997, Lipton 1995, Covin & Fisher 1991) rather than how the qualities of communication might be an important aspect of the CCR.

**Homo-sociability**

The gender difference of consultant and client appears to have been a factor in all three cases, not just those that involved male and female parties. As identified earlier in this chapter, in the case of Judy and Paul, there appears evidence that differences in gender had been a factor in their relationship, specifically in regard why Judy labelled Paul a “colleague” and the establishment of a social distance between them. In the relationship between John and Phil, one of common gender, notions of homo-sociability are also present. There appears a sense of equivocated ‘blokiness’ in the relationship – “talk about the weekend’s footy scores”. It appears that John judges the quality of any friendship with Phil on the basis of the content of their conversations, specifically the degree of male oriented content.
Gender differences appear as an important aspect of the CCR between Bruce and Lyn. There is evidence throughout the data collected in this case, and discussed earlier, to suggest Bruce was more comfortable in forming a working relationship with a male consultant. Evidence to support this proposition is derived from, amongst other statements, Bruce’s comment that he liked the second consultant, “a fellow”, because, “we had more in common”.

The consulting literature does not discuss the notion that clients are more likely to interact more positively with members of the same gender. In searches of such databases as ABI/Inform, First Search, Current Contents, Wilson Business Extracts and journals such as the *Journal of Management Consulting*, no articles were identified where the issue of gender in a consulting relationship was discussed. Perhaps, because gender, along with communication involves emotional/power aspects, they are areas that the consulting literature prefers to steer around and accept that they ‘just are’. This approach to dealing with the emotional aspects of the CCR parallels how Gambetta (cited in Robinson 1996, p. 575) describes trust as being discussed in the general academic literature, that is, mentioned in passing “...as a fundamental ingredient...an unavoidable dimension of social interaction, only to move on to deal with less intractable matters”. As a result of suppressing the issue of gender (Brewis, Hampton & Linestead 1997), the consulting literature does not appear capable of accounting for the diversity and complexity of some CCRs and their outcomes.

**Obligation, Reciprocity and Commitment**

As with communication and homo-sociability, the literature does not appear to place emphasis on how obligation and reciprocity might function within the CCR and their
importance in a consultancy project. The closest the consulting literature comes to discussing obligation and reciprocity in the CCR occurs when what is labelled ‘commitment’ is discussed (e.g. Covin & Fisher 1991, Stroh 1987, Turner 1982). Two points are of interest here. Firstly, the commitment of the consultant is assumed, and the literature focuses on how commitment in the client can be established. Secondly, in these discussions on commitment, obligation and reciprocity are not mentioned. Rather, commitment is discussed in terms of what actions a consultant can take to establish commitment in a client, e.g. “kindling enthusiasm” (Turner 1982, p. 126). This would appear to be a failing in the consulting literature. The literature does not appear to recognise, discuss or provide insight into the role mutual obligation and reciprocity might play in the establishment of commitment and the CCR, in general. In this thesis, the role of obligation and reciprocity in the area of power have been discussed; they may also be important in the formation of a tacit agreement between a consultant and client.

Tacit Agreements

In all three cases, there is reference to terms that indicate an agreement between the consultant and client that appears to be largely tacit in nature. Judy, for example, makes reference to a “bargain” that existed between her and Paul. This bargain appears binding on both parties in this CCR and involves a sense of reciprocity. Judy expects to complete “tasks”, while she expects Paul to turn up to appointments on time and respect the confidentiality of information she supplies. Judy’s perception of the nature of this obligation appears to be of a moral rather than monetised nature. She makes no reference to any formal contractual base to this mutual obligation.
John also makes indirect references to some form of tacit arrangement involving obligation and reciprocity. John describes how he has an expectation that, if Phil were to observe the business “heading down the gurgler”, he would “bring it to our attention…I expect him to tell me things”. However, unlike Judy, this expectation appears embedded in both a moral obligation — “he has as much care of our business as I take” and a monetised obligation — “paying a lot of money”.

Bruce also appears to refer to some sort of tacit arrangement. Bruce describes Lyn as the “expert” and “employee”, a status that obliges her to, as Bruce expresses it, “pick up on the issues” and deliver a turnaround in the business. There is no evidence to suggest that Bruce considers that he needs to reciprocate in any manner except in terms of “paying her” and revealing to Lyn details of the business. This tacit arrangement appears to be one-sided and, in contrast to that of Judy, appears to be based on some monetary arrangement. That is, since Bruce is paying Lyn, he expects that she will deliver the solution to his problems. Such a perception might be linked to Bruce’s reference to Lyn as an “employee” and his perception of the relationship as resembling that of a master and servant. It also appears to have been important for Lyn to meet Bruce’s expectations early in the project, something that failed to happen. As a result, Bruce comments, “early in piece…the consultant has to demonstrate a competency”.

In summary, an analysis of the data in the three cases reveals several aspects of the CCR as important to an understanding of the CCR and its impact, yet they are not afforded high priority in the consulting literature, namely: quality of communication, homosociability, obligation/reciprocity/commitment and tacit agreements. Perhaps the reason
that these aspects of the CCR are not afforded priority in the literature is that they are all linked to emotional aspects of a CCR, an area the literature finds difficulty discussing.

CHAPTER SUMMARY

By analysing and discussing the interview findings from the three cases, specifically in terms of their relation to the management consulting literature and related theory, a conceptual understanding of the CCR in each case, including its significance and impact has been built.

From an analysis of key contextual factors in the three cases, the ability of the consultants to “turnaround” the financial performance of each business appears important in determining both how the clients judge the CCR and the consultancy itself. However, of additional importance in judging the success of a consultancy is an increase in the client’s knowledge of operating a SME and the perceived quality of new “ideas” or “perspectives” on the business that a consultant provides.

An analysis of the interview findings in relation to, trust, power and the comfort zone, confirms their importance as key aspects of the CCR and suggests when compared to the literature, in the three cases studied:

- As suggested in the literature, the stronger the level of trust the more likely it is that recommendations will be adopted.
- In each case, there can be identified characteristics associated with “fragile” and “resilient” trust. However, whereas some in the literature (e.g. Ring 1997) propose
that trust moves unilaterally from fragile to resilient trust only, trust appeared to oscillate between these different forms of trust.

- Power does not appear to be perceived by clients as the sole domain of the consultant, as the literature suggests. The clients considered that they had a considerable degree of power in the CCR.

- Perceptions of a consultant’s knowledge and skills did not appear to be manipulated to encourage general deference and compliance by clients as the literature suggests. Rather, the consultants appear to use these perceptions to achieve a narrower form of authority, “expert status” (Rifkin & Martin 1997, p. 31), and give direction to the client and consultancy.

- Not identified in the literature is that the quality of the communication, the gender differences, and the sharing of expectations for the project which appear to be factors in the formation of a bond between consultant and client.

- A comfort zone in the CCR seems to have limits, and there appears a social distance that the client claims inhibits friendship from forming, as such, personal friendship does not appear important in the success of a CCR, as the literature asserts.

- Evidence of homo-sociability appeared in all cases, yet appears to be afforded little priority in the consulting literature.

Although these findings may be restricted to the cases studied, the consistency in findings in the three cases point to the importance of certain aspects of the CCR over others, and assist in identifying ‘gaps’ in the literature as well as avenues for future research. In the chapter that follows avenues for future research and implications of this study’s findings for both the consulting literature and the practice of management consulting are described.
CHAPTER 5

SUMMARY AND CONCLUSIONS

INTRODUCTION

Not only does this study suggest that the nature of a CCR is a significant factor in influencing the adoption of a consultant’s recommendations, the study also suggests that the CCR involves a number of aspects in need of further research and clarification, such as the dynamics of power within a CCR. Apart from trust, power and the comfort zone, key aspects of the CCR include; the quality of communication, the influence of obligation, reciprocity, commitment on the CCR, and the formation of largely tacit agreements between client and consultant. In addition to influencing the adoption of a consultant’s recommendations, these various aspects of a CCR also appear to influence three factors that clients place emphasis on when judging the success of a consultancy – financial change in the business, new knowledge on operating a small business learnt through the consultancy, and new perspectives on their business gained as a result of the consultancy.

Examining the CCR from the perspective of the client suggests that other aspects of the CCR, e.g., the dynamics of power, the impact of gender relations, and the formation of tacit agreements need clarification, research and further exposition in the consulting literature. These implications of the findings on the consulting literature are discussed in this chapter. This study also contains implications for the practice of management consulting. For example, this study suggests that clients may not judge the success of a
consultancy project simply on the basis of its ability to meet quantitative goals. Learning and the opportunity to gain new perspectives on their business may be equally important. These and other aspects of both a consultancy and a CCR appear in need of additional research. This thesis concludes by suggesting that this study could be expanded to include, for example, a larger statistically significant sample of cases, drawn from a wider geographic area and using an ethnographic research design to capture the perspectives of both the client and consultant in a CCR.

In the section that follows, discrepancies between the cases studied and published theory are discussed, in areas of the type of trust, the dynamics of power, and the importance of discussing in the literature the socio-emotional aspects of the CCR - the comfort zone.

**IMPLICATIONS FOR THE MANAGEMENT CONSULTING LITERATURE**

Findings on key aspects of the CCR, trust, power and the comfort zone appeared to conflict with widely held assertions in the literature. These factors are now discussed in turn.

**Trust**

The consulting literature suggests that the level of trust between a consultant and client is perhaps the single most important factor in determining the success of both the CCR and the outcomes of a consulting project (Lipton 1995, Stroh 1987, McGivern 1983, Block 1981). This assertion appears to be supported by the findings of this study. In each of the three cases, trust appears to have been recognised as an important factor in
the CCR. However, each client in this study appears to have his or her own personal notion of what constitutes trust. Trust appears as a very personal and complex emotion. This variance in opinion is also apparent in the literature with numerous theories as to the basis and nature of trust (e.g. Ring 1997, de Laat 1997, Hardy et al 1996).

In this study, it was not possible to isolate the type of trust in any one case as showing characteristics of exclusively either resilient or fragile trust. Rather, the basis, nature and type of trust changed back and forth throughout each consultancy. In this respect, some in the literature (e.g. Ring 1997, Ring & Van deVen 1994) assume that the nature of trust can change from fragile to resilient trust, but it does not appear to recognise that individuals might change their perceptions of the nature of trust to suit varying circumstances, i.e move freely between forms of resilient and fragile trust.

Each client made statements suggesting that they perceived the level of trust between them and the consultant as high. Importantly, these statements were made regardless of the overall outcomes of the project or how they perceived the success of the CCR. It might be possible for the level of trust to be perceived as high, while the success of the CCR and project can be perceived by the client as low. This appears to contradict a general assumption in the literature (e.g. Stroh 1987, McGivern 1983, Block 1981) that a successful consultancy and CCR is always associated with a high level of trust. Perhaps this finding can be explained by suggesting that trust is an important factor in the CCR, but as this study suggests, contextual factors form the criteria against which the success of a consultancy project is ultimately judged. In the cases studied, success was measured against three criterion, 1) if the project achieved the aim of improving the financial performance of the business 2) if the client had increased their knowledge of
operating a SME, and 3) if the client gained new perspectives on the business that was the subject of the consultancy.

**Power**

The literature that deals with how power and dependency function in a CCR suggests that power resides in the hands of the consultant and dependency is the assumed fate of the client (Clark 1995, Block 1981, Schein 1969). However, this view of how power functions in a CCR appears at odds with how power was perceived in the cases examined in this study.

The perceptions of two clients suggest an alternative attitude to how power might function in the CCR compared to that of some writers in the literature (e.g. Clark 1995, Lipton 1995). As the evidence suggests, these two clients perceived that they exerted more control during the consultancy than the consultants. Despite this discrepancy, the three cases suggest that power is an important aspect of a CCR and might be a significant area of consideration in understanding the outcomes of consultancy projects.

**Comfort Zone**

The findings from the cases studied draw into question the literature’s view that personal similarity and shared social interests form the basis of a comfort zone (Vaughan & Hogg 1995, Gergen & Gergen 1981). In none of the cases was there evidence to support this point. Rather than shared personal interests outside the business, the quality of the communication flow, gender relations (notably, homosociability), the approach adopted by the consultant to the consultancy project and shared expectations for the outcomes of the project that included notions of reciprocity,
obligation and commitment, were factors in the establishment of a comfort zone and the formation of a positive bond between consultant and client.

Each client placed emphasis on the quality of the communication that flowed between them and the consultant. From the interview data, aspects of communication such as listening, asking questions and body language, appear to have been important in signalling the level of trust, power, mutual respect, commitment and level of reciprocity in the CCR. Yet, the importance of the quality of communication flows between the consultant and client is not given recognition in the consulting literature. Similarly, the importance of gender relations and what this study labels, ‘homo-sociability’, is not afforded strong recognition in the literature. The role reciprocity, obligation and commitment has in forming unverbalised and largely tacit agreements between a client and consultant also does not appear to be recognised in the consulting literature. Yet, from the evidence, these factors appeared to be help in determining the quality of the CCR in all three cases.

The contradictions between some of the findings of this study and the literature, in the areas of trust, power and comfort zone, may be attributable to a number of factors. These include the perspective of the CCR adopted in this study, i.e from the perspective of the client and various contextual factors concerning each case. However, there appears a need for additional formal research to investigate these apparent contradictions and to gain clearer insights into the CCR and its impact on a consultancy project’s outcomes.
Further research is required into such areas as: the basis and nature of trust in a CCR, factors influencing the dynamics of power and how a comfort zone impacts on the creation of a bond between a consultant and client. Research into these areas, using a form of longitudinal study of client and consultant interactions, could provide deeper insights than those gained in this study.

**IMPLICATIONS FOR THE PRACTICE OF MANAGEMENT CONSULTING**

For the practising management consultant, the contributions of this study, the first in the area of SME client and consultant relationships, are useful in terms of gaining a taste of the client's perspective of the consultancy process and into various aspects of the CCR. In addition, this study provides consultants with insights into how three SME clients select a consultant for a project, the importance to the three clients of, what might be labelled 'early successes' in a project, and how the clients regarded the consultancy project as a learning exercise.

In the cases studied, the selection of the consultant by the client appears to have involved a number of different factors, including perceptions of how well the two parties will, as one client expressed it, "get along". This perception appears to be embedded in what the clients referred to as a "feeling". When selecting a consultant, the clients also emphasised a consultant's experience, skills and knowledge in the areas that they perceived the business as requiring assistance in. In identifying a consultant's specialist skills, formal academic qualifications did not rate with the respondents as highly as a consultant's depth of practical consulting experience in the perceived area of need.
In this study, it appeared important for the success of the CCR, and the project itself, that a consultant had what could be labelled ‘early successes’. That is, early in the project, the consultant needed to make recommendations and have them successfully implemented. The structuring of the consultancy project, to allow the early adoption of recommendations, appeared in the cases studied, effective in increasing the level of trust and encouraging the adoption of further recommendations.

Another finding from this study, which has implications for management consulting and public policy in the area of government assistance programs to SMEs, involves the emphasis each client in this study placed on their perception of the consultancy project as a learning exercise. By the end of each project, all three clients indicated that their knowledge of running a small business had increased and that they rated this aspect of the consultancy as being as important as any improvement in the financial performance of the business. Even a failed consultancy (i.e. failed to “turn around” the financial performance of the business) did not prevent one client from stating that the level of knowledge gained on operating an SME as a result of the consultancy was sufficient justification for him to consider engaging a management consultant again.

For consultants, the finding that learning is potentially very important to a client has implications on how they structure the consultancy process. Consultants who might wish to approach a consultancy project from the perspective of a learning exercise need to consider how they present their reasoning for recommendations and how they communicate with the client throughout the project.
The finding that these, and potentially other clients consider the learning aspect of a consultancy project as an important outcome also has implications on public policy. Currently, the provision of government subsidies to SMEs to engage a consultant to develop a business plan appears as a major form of government assistance to this sector globally (Gibb, 1997). In New South Wales, this form of assistance is offered by the DSRD under their SBEP. Currently, the ‘success’ of the SBEP to assist a small business is judged in terms of the improvement in the business’s turnover and profitability (Pallas D. 1999, personal communication). In this study, these are important outcomes for each of the clients. However, this study suggests the SBEP has been considered by the clients a successful small business learning or educational exercise. This feature of the program, given emphasis by the clients, does not appear to be recognised by government. As a result, this program might be undervalued at a time when governments are considering the merit of this type of business assistance (Gibb 1997).

Prior to leaving a discussion of the implications of this study on either the consulting literature or the practice of management consulting, attention needs to be drawn to how contextual factors may affect this study’s findings.

**CONTEXTUAL FACTORS OF THE STUDY**

The influence of contextual factors on each case in this study, including the project methodology adopted by the consultants and the part funding of the consultancies by DSRD, qualify the findings and the conclusions drawn in this study.
The methodology adopted by the consultants in each case studied has been shown to be an important factor in determining the nature of the CCR. It has also been suggested that the presence of the consultant during the adoption and implementation of their recommendations is atypical of most consultancy projects – at the moment. It is not clear why, in each of the cases studied, consultants adopted this project methodology, though it appears to have been effective in two of the cases studied in increasing the level of trust in the CCR. This factor is worthy of further research. However, it is worth noting that, as Czerniawska (1999) argues, this latter form of consultancy methodology is likely to become the future norm for consultancies as clients begin to insist on seeing quantitative results rather than just “fact-based” (Czerniawska 1999, p. 110) reports. According to Schmidt (1999), this will lead to a change of name for management consultants to what she labels “management resultants” (Schmidt 1999, p.100).

A fifty percent subsidy of the consultancy cost, access to DSRD officers as arbitrators should problems emerge in the project or the CCR, and selecting consultants from a list supplied by DSRD are all contextual factors that could be considered influences on the nature and impact of the CCR in each case studied. These factors are variables that can be examined in future research on CCRs.

In the section that follows methods for overcoming these limitations are discussed along with suggested avenues for further research.
SUGGESTIONS FOR FUTURE RESEARCH

This study into the relationship between management consultants and their clients is exploratory. What this study shows is that an understanding of the CCR may assist in an explanation of the outcomes of consultancy projects involving SMEs. Future studies might consider the following points.

Firstly, the sample that this study examined is relatively small, drawn from a narrow geographical area and from participants in one government assistance program. Although the study of three cases was sufficient to support the argument of this thesis, the set of three also point to the need for a broader study involving both qualitative work on a larger and more varied sample and also, survey work on a statistically significant sample. It should also be recognised that each of the consultants in this study had been previously engaged in consultancy projects under the SBEP. As such, their ethical conduct and technical competence was likely to have been of a high standard acceptable to DSRD. In other words, the sample of consultants in this study might not reflect the bulk of management consultants working in the unregulated consultancy industry, in terms of their ethics or technical competence. To alleviate these concerns, a follow-up study might consider expanding the sample in a number of respects, including: size of sample, geographic spread of the sample, consultancy funding mechanism (public or self-funded), experience of consultants, and aim and purpose of the consultancy.
Secondly, this study has suggested that gender relations could be an important factor in the success of the CCR and consultancy project. In an extended study, a mix of women and men in each role of consultant and client could provide additional insights.

Thirdly, this study relied on each respondent recollecting and reflecting on past events. As a result, in some cases, there appears to be an element of what could be labelled 'rational reconstruction’ (Waddell 1989). That is, the client re-constructs their perception of events to rationalise the outcomes of the consultancy and their actions. To avoid this possibility, similar studies could attempt to plot and monitor the development of the CCR and its impact on the outcomes of the consultancy by observing the project as it occurs.

Having indicated in this study the priority that the three respondents placed on the quality of communication, mutual respect, obligation, reciprocity and how gender relations appeared as a factor in the CCR, it would be suggested that these aspects of the CCR, in particular, warrant further research. It might also be possible in a revised interview schedule to gain greater insights into what has been frequently referred to by the respondents in this study as “feelings”.

Future research might also consider the perceptions of the consultant, as well as the client, in each case. On the evidence from the case study of dissonance between Bruce Rodgers and Lyn Roberts alone, this approach is likely to provide rich data and a more comprehensive understanding of the CCR.
This study shows that learning is considered an important outcome of these three consultancies with SME owners. An interesting study would be an exploration of how this form of management ‘education’ takes place during the course of a consultancy project.

**FINAL THOUGHTS**

As a management consultant, I have become more aware of how the CCR might impact on the outcomes of a consultancy project. In this respect, the study’s findings resonate with the many impressions gained from my time as a management consultant. From conversations with other management consultants, government business advisers and so on, it is likely the findings of this study would also resonate with their experiences.

The findings have also confirmed another personal impression. The consulting industry is expanding at an annual rate of more than 15% (Taylor 1998), is expected to employ 100,000 Australians by 2010 (Odgers 1998), has an increasing impact on management practices globally (O’Shea & Madigan 1998, Micklethwait & Wooldridge 1996), has no formal training or entry requirements and is viewed with both scepticism and pessimism by many. Yet, it is poorly researched and understood. I hope that this study might challenge future researchers to attempt a better understanding of management consultants and how they function in the course of a consultancy project. It is also hoped that this research is of benefit not only to management consultants and their SME clients but also to all professionals, accountants, solicitors, government and non-government advisers and so on who provide advice and assistance to this sector.
LIST OF REFERENCES


APPENDIX I

SMALL BUSINESS EXPANSION PROGRAM GUIDELINES
Small Business Expansion Program

Innovation in management practices, operating procedures, products, services or processes is the key to business growth. The Small Business Expansion Program gives your business a chance to access external support for your company’s growth strategy.

The Department of State and Regional Development’s (DSRD) Small Business Expansion Program (SBEP) will assist eligible clients with a subsidy to offset the cost of employing private sector consultants to establish a growth path for your firm. Clients may chose to work either through a consultant-assisted self-help project, through a one-on-one consultancy or through a group program.

The following areas of business expansion will be considered for support:

- business planning;
- operational issues/challenges;
- market development;
- financial strategy.

Not all eligible businesses may be accepted into the Small Business Expansion Program.

The Program assists those businesses with the greatest potential for economic and/or employment growth.

1. One-on-One Project

A consultant works with a company to create a growth strategy or on specific actions that will see targets achieved.

Terms of reference for the project are to be agreed between the client and the Department of State and Regional Development’s Client Manager.

2. Assisted Self-Help Projects

To reduce costs, a client may choose to develop their own expansion program, using a consultant to guide the process.

Who Selects the Consultant?

The business owner selects a consultant who submits a proposal for the project. Approval of the project is at the discretion of the Department of State and Regional Development and no work should be undertaken prior to written approval being received.

3. Group Programs

A number of providers have been approved by the Department to deliver skills development sessions to clients.

Eligible clients may be offered a subsidy which will be paid directly to the provider on satisfactory completion of the program.

What Will it Cost?

Subsidies for one-on-one and self-help projects will be at a maximum of 50% of the total cost of the project and

New South Wales Department of State and Regional Development

First for Business

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typically to a limit of $5,000.00 for each intervention. Subsidies for group projects will be at a maximum of $1,000.00 per client firm per program. An overall limit of $10,000.00 in subsidies in any three year period will be set, with subsidies received for previous enterprise improvement interventions under any joint Commonwealth/State program or State program being taken into account.

Eligibility Criteria

The client business must meet all the following criteria:

- is a NSW-based business;

- can provide financial accounts and reports for at least two financial years which show the business is profitable and has a positive balance of assets over liabilities;

- has a turnover of between $250,000 and $5 million per annum;

- is currently employing at least three full-time or equivalent part-time people or contractors in the business, in addition to owners (directors or beneficiaries under the corporate structure of the business);

- can demonstrate a recent growth pattern and/or that the SBEP project will contribute to increased:
  - sales and/or
  - profits and/or
  - exports and/or
  - employment in the next 12-24 months;

- is prepared to enter into an agreement with DSRD to implement the consultant’s recommendations in the accepted final report and to pursue growth targets over two years;

- is prepared to complete and return to DSRD, monitoring questionnaires, each year for three years after the project.

The Department of State and Regional Development reserves the right to change any part of the Small Business Expansion Program without prior notification.

How do I access the Program?

Contact your local Department of State and Regional Development office or ring 13 11 45 and a Client Manager will contact you and arrange to visit your business.

Service Centres

For more information about the range of other services provided by the Department of State and Regional Development, or the Business Enterprise Centres, contact 13 11 45 or your nearest Service Centre.

Albury (02) 6041 4808
Armidale (02) 6771 3284
Ballina (02) 6686 3008
Bathurst (02) 6332 6837
Bourke (02) 6872 1814
Broken Hill (02) 8087 8033
Cobar (02) 6836 1184
Coffs Harbour (02) 6658 0351
<table>
<thead>
<tr>
<th>Location</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dubbo</td>
<td>(02) 6884 2611</td>
</tr>
<tr>
<td>Gosford</td>
<td>(02) 4324 2300</td>
</tr>
<tr>
<td>Goulburn</td>
<td>(02) 4821 8000</td>
</tr>
<tr>
<td>Grafton</td>
<td>(02) 6642 6511</td>
</tr>
<tr>
<td>Sydney</td>
<td>13 11 45</td>
</tr>
<tr>
<td>Tamworth</td>
<td>(02) 6766 1360</td>
</tr>
<tr>
<td>Tweed Heads</td>
<td>(07) 5524 3892</td>
</tr>
<tr>
<td>Wagga Wagga</td>
<td>(02) 6921 6422</td>
</tr>
<tr>
<td>Wollongong</td>
<td>(02) 4225 9055</td>
</tr>
</tbody>
</table>
APPENDIX II

INTERVIEW SCHEDULE
INTERVIEW SCHEDULE

STATEMENT OF PURPOSE

Prepared text, spoken to respondent prior to interview – bold topic headings NOT
spoken to respondent.

The purpose of this study is to improve and better understand the relationship
management consultants have with their clients in the context of small and medium
sized enterprises (SMEs).

The focus of the study is the relationship that develops between a consultant and client
in the course of any management consultancy project.

You have received an information sheet that provides details on the aim of this study,
how your responses to this interview will be used and how those interview responses
will be stored. The information sheet also indicates that the information you provide is
confidential and will remain confidential in the final report/thesis that is developed from
this study. Your responses in this interview will also remain confidential and not be
shared with the consultant involved in your consultancy project or officers of the NSW
Department of State and Regional Development.

Do I have your permission to tape this interview?
Before I started this tape I asked your permission, but for the record I would like to ask again. Do I have your permission to tape this interview?

Do you understand that this interview is confidential?

You can stop this interview at any time should you wish to do so.

BACKGROUND TO CASE AND GENERAL IMPRESIONS.

To begin with, I would like to know some general details concerning your business, your involvement in the DSRD's Small Business Expansion Program and your overall views on management consultants and the consultancy project that has been recently completed in your business.

1. Can you give tell me what you would regard as the most important points in the development of the business since it started?

2. How would you describe the business's performance immediately prior to the consultancy?

3. What do you consider the main purpose of the consultancy project was?
4. Were there any major unexpected events during the consultancy project?
   If so, what were they?

5. Was this the first time you have used a management consultant?
   If yes – what were the circumstances surrounding the use of a consultant before?
   [Possible Probe – did this prior experience influence your approach to this consultancy in any way?]
   If no - are there any reasons why you have not considered the use of a management consultant before?
   [Possible Probe – on what basis do you make these comments?]

6. What was your general opinion of management consultants before the consultancy?
   [Possible Probe – on what basis do you make these comments?]
   Has your opinion changed at all?

7. For how long was the consultant employed in the current/recent planning project?

8. Who set this length of time – you, the consultant or DSRD?

9. Do you believe this length of time was appropriate for the project?
   Why?

10. How often did you have contact with the consultant during this time?
11. Do you believe this level of contact was appropriate for the project?
Why?

12. Do you consider that you got 'value for money' from the consultancy?
If yes or no – why?

THE COMFORT ZONE

I would now like to ask about the relationship you had with the consultant during the business planning project and why they were preferred to other consultants.

13. What do you consider are important features of any consultant – client relationship?
Can you explain why you list these features?

14. What were the important reasons that made you select one consultant for this project over another from the list of names supplied by DSRD?

15. What was your perception of the level of ‘expertise’ of the consultant you selected for this consultancy project compared to others?
[Possible Probe – how do you define the term ‘expertise’?]
[Possible Probe – did this perception influence your choice of consultant?]

16. If you socialised with the consultant do you think this helped the relationship?
How?
17. Would you describe the consultant you used for this project as a friend or colleague?

Why?

[Possible Probe – how do you define a friend or colleague?]

18. Did you like the consultant you engaged on this project?

Why?

19. Would you recommend the consultant you used to a friend or business colleague?

If yes or no – why?

20. Did you have a ‘good working relationship’ with the consultant from the outset of the project?

If yes or no – why?

POWER AND DEPENDENCY

21. Did you always feel that your contribution or input to the consultancy project was respected by the consultant?

If yes or no – why do you believe this?

[Possible Probe – what do you mean by the word ‘respected’?]

22. How easy was it to ask questions of the consultant?

Why do you believe this?
23. Did you question any of the consultant’s recommendations?
   If so – how did the consultant react to this questioning?
   Why do you believe they reacted in this way?

24. Do you believe the consultant used a lot of ‘technical’ type language?
   If yes or no – why do you think they did this?

25. Were you conscious of any ‘power’ you may have had over the consultant?
   If so – can you describe this power?

26. Were you conscious of any ‘power’ the consultant may have had?
   If so – can you describe this power at all?
   [Possible Probe – did the consultant use this power at all? How?]

27. In the relationship you had with the consultant, would you consider yourself an equal?
   Why?

28. Do you think the consultant ever ‘took advantage’ of your relationship?
   If yes – how? If no – why?

TRUST

29. Did you trust the consultant?
30. What do you mean by the term 'trust' in the context of your relationship with the consultant?

31. Did anything happen during the course of the consultancy to change the level of trust you placed in the consultant?
   If yes – can you describe these incidents?
   If no – why?

32. At the end of the consultancy, did you consider that both you and the consultant shared a common view as to the future direction of the business?
   If yes or no – what leads you to believe this?

33. Do you feel that you understood the reasons why the consultant made the recommendations they did? If yes or no – why?

34. Did you implement all the consultant's recommendations?
   Which ones did and did you not implement?
   Why and why not?

[Possible Probe – was there any major obstacle that prevented you from implementing the consultant's recommendations?]
35. Did the consultant’s level of commitment vary during the project?
   If yes – how? Can you give examples that make you think this?
   If no – why do you think this?
   [Possible Probe – what do you consider the term ‘commitment’ means in the context of a consultant and client relationship?]

36. What did you conceal or were hesitant to reveal to the consultant during the course of the consultancy?
   Why?

37. What would you say was the single biggest thing that you gained from the consultancy?
   What makes you say this?

38. If you had the consultancy all over again what would you change in the way you managed the relationship between you and the consultant?
   Why?

39. Finally, is there anything you would like to say about the type of working relationship you had with the consultant that has not already been discussed?
APPENDIX III

INTERVIEW TIMES AND PLACES

Respondent One – Judy Lowe.
1) 2nd May 1999 – Initial interview as part of pilot interviews at Judy’s home.
2) 23rd May 1999 – Follow-up interview at Judy’s home.
3) 2nd June 1999 – Follow-up interview by phone.
4) 11th June 1999 – Follow-up interview at Judy’s home.

1) 19th June 1999 – Initial interview at John’s home
2) 24th June 1999 – Follow-up interview at John’s office.
3) 9th July 1999 – Follow-up interview at John’s office.

Respondent Three – Bruce Rodgers.
1) 22nd June 1999 – Initial interview at Bruce’s business.
2) 2nd July 1999 – Follow-up interview at Bruce’s business.
Excerpts of the data from the interviews follow in the form of a series of tables. Three tables are presented in each case, one for each of the key aspects of the CCR explored during the series of interviews with the respondents, i.e., trust, power and the comfort zone.

In each of these tables, the column, labelled ‘transcript’ contains the question asked by the researcher followed by an excerpt from the transcript of the client’s response to that question. The order of questions and responses in each table follows the order of questions asked in the initial interview under each of the key aspects of the CCR (see Interview Schedule - Appendix II). However, excerpts from probe questions, i.e., questions asked to clarify or gain additional insights on the response immediately before, and follow-up interviews, have also been included in these tables. Where this has occurred, it is indicated before the interview question by the word ‘probe’, or for follow-up interview questions with an interview number and respective date. What have been labelled ‘salient terms’, i.e., individual words and phrases contained in the interview responses that provide insight into the CCR, are underlined in the transcripts.

Only responses judged by the researcher to be of significance have been included in these data tables. To resolve the question of what interview responses are significant and need to be included in the data tables, two questions have been asked of every interview response;
• Does the response provide insight into the nature of CCR experienced by the client?
• Does the response provide insight into how the CCR might have impacted on the outcomes of the consultancy?

If, after studying the content of a response, the answer to either of these questions was “yes” then that response, or part thereof, has been included in the data tables.

Some questions and responses, in both the initial interview schedule and from follow-up interviews, that did not yield insights have not been included in the tables. One example is in cases two and three, the response to question 17 of the initial interview schedule, “If you socialised with the consultant do you think this helped the relationship?” The respondents in cases two and three considered that no form of socialisation had occurred with the consultants; this was despite additional probing on the issue. This question yielded nothing substantial about the CCR or the impact of the CCR on the outcomes of the project. Therefore these responses have been omitted from the respective tables, i.e. Tables IV.6. and IV.9., though the fact that there were no positive responses still plays a role in the analysis.

In addition, if a response contained material relevant only to the background of the case or contained information that the respondent considered “sensitive” or “confidential”, it has been omitted from the data tables.

It should also be noted that insights into trust, power and the comfort zone can be found in data excerpts on each of these key aspects of the CCR, not just from the specific questions asked under that label. For example, references to the notion of trust in the CCR are not contained exclusively in the responses to the initial or follow-up interview
questions designed to elicit insights in that specific area. Rather, references to the notion of trust can also be found in responses to questions asked under the headings of power and the comfort zone. The fact that no respondent separated the various aspects of the CCR is an important feature of the data. It could be interpreted as supporting the notion that various aspects of the CCR are perceived by the respondents as interrelated to each other. This finding points to the complexity of the CCR and to notions of causality, an area not investigated in this study, but acknowledge in the analysis of the data.

Excerpts of the data from each case now follow in the form of tables.
Table IV.1. Case Study One – Judy. ‘Trust’ – Tabulated Data Excerpts.

**TRANSCRIPT AND SALIENT TERMS**

<table>
<thead>
<tr>
<th>Interview 3: 02/06/99</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did you trust the consultant?</td>
</tr>
<tr>
<td>Yes. very much...we would implement things that we would think, not real sure about that...we were taking that leap of faith that he had the experience, he had the expertise...he knew what he was doing...he put across his points in a confident manner so it led you to feel that you could trust him.</td>
</tr>
</tbody>
</table>

**PROBE:** Can you give any examples that make you say you did trust him?

...when we implemented one of his strategies that perhaps we weren't too sure about and it did obviously work, that obviously made you feel when he would give further suggestions, that OK, the first one worked, the next ones are probably likely to work as well. One example was we had trees at the front of our business and he made us cut them off virtually at ground level, which I found a little bit difficult to cope with, but he explained his reasoning for it and he did give examples of where he had done similar things at other businesses and what he was trying to accomplish by doing it, we trusted him on that basis and went along and did it, and it did pay off so I guess that was a fairly dramatic thing for me to do, to cut all the trees down; so it helped to trust him in other decisions.

<table>
<thead>
<tr>
<th>Interview 1: 02/05/99</th>
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<tbody>
<tr>
<td>What do you mean by the term ‘trust’ in the context of your relationship with the consultant?</td>
</tr>
<tr>
<td>We needed to have somebody who you could trust...somebody who you felt you could rely on, somebody who was competent, somebody who had the skills to you know, contribute valuable ideas so I guess by trusting him we had to have confidence in him and his ability.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interview 1: 02/05/99</th>
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</thead>
<tbody>
<tr>
<td>Did anything happen during the course of the consultancy to change the level of trust you placed in the consultant?</td>
</tr>
<tr>
<td>Yes. I suppose the level of trust did change during the consultancy...He came across in the first instance as being somebody who was fairly competent and professional and therefore somebody you could trust; and as time progressed and the strategies implemented did work...I suppose your level of trust increased but towards the end the level of trust was though waning because you started to feel perhaps (the consultancy) was being milked a little; so your trust in him waned to some extent then.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Interview 1: 02/05/99</th>
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</thead>
<tbody>
<tr>
<td>Did you implement all of the consultant’s recommendations?</td>
</tr>
</tbody>
</table>
| No...especially towards the end when it felt like it (the consultancy) was being milked.
Interview 3: 02/06/99

Did the consultant's level of commitment vary during the project?

In the early stages he showed quite a level of commitment by asking questions about ourselves in a holistic sort of way. He also showed commitment by turning up on time, bringing the equipment he needed to, not cancelling out on any appointment; he showed commitment by keeping his side of the bargain and doing what he said he would do...

Interview 1: 02/05/99

What did you conceal or were hesitant to reveal to the consultant during the course of the consultancy?

We told him everything there was to tell him about the business...the only time perhaps we weren't 100% frank was towards the end when we were thinking the consultancy really could have been concluded; we could have concluded it a week or two earlier. I guess at the end we didn't actually say quite early enough that we thought we had got everything we could out of it.

PROBE: Why do you feel you could reveal so much to this consultant?

We approached it wanting to get as much as we possibly could out of it the consultancy; after all we were paying for it; so we needed to get as much as we could from it and therefore it was necessary to give him as much information as we possibly could for us to get back the benefit from it; but he was very easy to talk to, he listened to what you were saying and therefore you felt comfortable speaking to him. I didn't feel he was going to run off and tell anybody else about our business; I just had a level of confidence, trusted that he would uphold his end of the bargain.

Interview 3: 02/06/99

Do you think the consultant ever 'took advantage' of your relationship?

We felt that he started to take advantage towards the end when the consultancy probably could have been finished earlier, I think we had learnt everything we were going to learn at that particular point in time, he probably could have had a couple of visits more than he could have really needed to have, so in that way he was gaining reward when we weren't really getting benefit from it.
Table IV.2. Case Study One – Judy. ‘Power’ – Tabulated Data Excerpts.

<table>
<thead>
<tr>
<th>TRANSCRIPT AND SALIENT TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 1: 02/05/99.</td>
</tr>
<tr>
<td>Did you always feel that your contribution or input to the consultancy was respected by the consultant?</td>
</tr>
<tr>
<td>Yes...He never really gave me the feeling that I was a complete twit...He listened to what we had to say.</td>
</tr>
<tr>
<td>Interview 2: 23/05/99.</td>
</tr>
<tr>
<td>In the previous interview you stated that your input was always respected. How did he give you that feeling?</td>
</tr>
<tr>
<td>...the fact that he did listen to what we had to say, he did take it on board and I guess sometimes it was just a feeling you get about the way somebody reacts to your question, he never responded in a way that was demeaning or putting you down,...he was very professional at all times, he would discuss issues with you.</td>
</tr>
<tr>
<td>Interview 1: 02/05/99.</td>
</tr>
<tr>
<td>How easy was it to ask questions of the consultant?</td>
</tr>
<tr>
<td>...there was never any problems,...he would always listen and respond straight away.</td>
</tr>
<tr>
<td>Interview 1: 02/05/99.</td>
</tr>
<tr>
<td>Did you question any of the consultant’s recommendations?</td>
</tr>
<tr>
<td>...only towards the end.</td>
</tr>
<tr>
<td>PROBE: How did he react?</td>
</tr>
<tr>
<td>...he would shake his head, shrug his shoulders and seemed to accept it just wasn’t going to happen [acceptance of recommendation]...I think by this stage we all growing tired...we all had enough.</td>
</tr>
<tr>
<td>Interview 1: 02/05/99.</td>
</tr>
<tr>
<td>Do you believe the consultant used a lot of ‘technical’ type language?</td>
</tr>
<tr>
<td>No...if he had I would have been asking for an explanation all the time...he would soon get sick of that.</td>
</tr>
</tbody>
</table>
Interview 1: 02/05/99
Were you conscious of any 'power' you may have had over the consultant?

In some ways, we always had the final power or the final say as to whether we would go ahead and implement one of his suggestions... we had the final say as to whether we continued with the consultancy so in that way I suppose we had a little bit more power than he did...

Interview 1: 02/05/99
Were you conscious of any power the consultant may have had?

...our approach was always to gain as much knowledge from him as we possibly could so from that point of view I suppose he had more power over us, because we perceived he had the knowledge that we wanted to gain.

Interview 1: 02/05/99
In the relationship you had with the consultant, would you consider yourself an equal?

...in our general relationship I think we looked at each other pretty much as equals; I mean I didn’t look at him as a guru and I don’t think that he looked at me as the person who was going to give him his livelihood, which gave either one of us power over the other; so I think we approached things pretty much on an equal basis.

PROBE: Can you describe any incident or incidents that lead you to take this view?

...I think it comes back to an attitude sort of thing... I don’t know that it is a particular incident its just the way people speak to one another, an attitude type thing, when he would respect my opinion and I would respect his opinion; so I guess it comes back to respecting each other, not putting each other down if you thought one person’s idea was not up to scratch; you would still listen to it and take it on board.
Table IV.3. Case Study One - Judy. ‘Comfort Zone’ – Tabulated Data Excerpts.

TRANSCRIPT AND SALIENT TERMS

<table>
<thead>
<tr>
<th>Interview 1: 02/05/99</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What do you consider are important features of any consultant – client relationship?</strong></td>
</tr>
<tr>
<td>...there needs to be two way communication you need to have an understanding of why they’re saying this would be a good option, you need to have confidence in what they’re saying, they need to be able to prove to you that they have got experience and expertise and skills that are going to assist you...you need to be able to communicate freely and to do that easily you need to have confidence in that person and some trust that they are going to lead you down the right path.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interview 1: 02/05/99</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What were the important reasons that made you select one consultant for this project over another from the list of names supplied by DSRD?</strong></td>
</tr>
<tr>
<td>His presentation...as opposed to the other two consultants we interviewed was perhaps more professional, the skills that he had and the experience that he had was probably more in line with what we perceived we needed...his skills were more in tune with what we needed and one of the major things that always stands out in my mind is that he talked about our lives, not just the business but the impact on our total lives so his focus was more holistic towards us and our family and life.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interview 1: 02/05/99</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What was your perception of the degree of ‘expertise’ of the consultant you selected for this consultancy project compared to others?</strong></td>
</tr>
<tr>
<td>He had quite a high level of expertise in dealing with small business and he obviously had done a lot of consultancy work with a lot of different small businesses...I think he had quite a good level of expertise.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interview 1: 02/05/99</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Would you describe the consultant you used for this project as a friend or colleague?</strong></td>
</tr>
<tr>
<td>I don’t really think I would describe him as a friend, more a colleague.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROBE: Why would that be?</th>
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</thead>
<tbody>
<tr>
<td>Because he was someone I was gaining knowledge, gaining information from so it was more on that level of gaining his expertise, learning from him rather than a friend who you might go out and discuss things other than business with.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interview 1: 02/05/99</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Did you like the consultant you engaged on this project?</strong></td>
</tr>
<tr>
<td>Yes...I did quite like him.</td>
</tr>
</tbody>
</table>
PROBE: Why was that?

He was easy to talk to, easy to get along with... I don't know really as individuals we probably had a lot in common, but he was just easy to get along with... I suppose he showed confidence, you felt that he knew what he was doing so you felt a level of confidence in what he was saying.

Interview 2: 23/05/99
Would you recommend the consultant you used to a friend or business colleague?

Yes I would.

PROBE: Why would that be?

Because I think we got a lot out of the consultancy, we certainly learnt a lot... He has quite a lot he can offer any business. He is easy to get along with, easy to work with and he does have excellent ideas so I would recommend him because I think it would be worthwhile for anybody.

Interview 1: 02/05/99
Did you have a 'good working relationship with the consultant from the outset of the project?

... towards the end we did feel the consultancy was perhaps being strung out a little bit... if it had continued much longer we might have been thinking that we had, had our value for money and would have wanted to call a halt to it. We had got all the knowledge from him that was going to benefit us... 

...I have to say we always did get a pat on the head for having something done by the time he got back and he would complement us on whatever it was that we had achieved in that time so you did feel that you had done something worthwhile and successful in that period of time and you were congratulated for it... the project went pretty smoothly.
Table IV.4. Case Study Two - John. 'Trust' – Tabulated Data Excerpts.

<table>
<thead>
<tr>
<th>TRANSCRIPT AND SALIENT TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview 1: 19/06/99. Did you trust the consultant?</td>
</tr>
<tr>
<td>Totally</td>
</tr>
<tr>
<td>PROBE: Why would you say that?</td>
</tr>
<tr>
<td>I just really feel that his soul interest is our business. He has as much care of our business as I take of our business. Why I don't know. (Laughs) He shows real concern about bad times...I suppose again, its that person to person relationship, and it really shows he has genuine concerns about how business is done.</td>
</tr>
<tr>
<td>Interview 1: 19/06/99. What do you mean by the term ‘trust’ in the context of your relationship with the consultant?</td>
</tr>
<tr>
<td>[Consultant] sees obviously everything right through to our tax return... he knows what our profits are, what our taxes are, he knows my accountant. We have meetings with [consultant], and my accountant and me and [partner] if he is around, and he is very, very aware of our whole finances and all that sort of stuff and whilst ever [consultant] is operating the way he does now, he doesn't get to write a cheque or anything like that...I suppose if something came up in the papers, and he got done for fraud or something like that, all of a sudden the trust wouldn't be there any more.</td>
</tr>
<tr>
<td>Interview 1: 19/06/99. Did anything happen during the course of the consultancy to change the level of trust you placed in the consultant?</td>
</tr>
<tr>
<td>We definitely got more and more trust there. Even though he had total access from day one, I think the relationship has got stronger as it went along.</td>
</tr>
<tr>
<td>Interview 3: 09/07/99. Why do you believe the relationship got 'stronger'?</td>
</tr>
<tr>
<td>From the initial contact I didn't have any problem, and I think because it's a long term relationship, the way we communicate, and we have seen turnover increase by 3 or 4 times or more, profits increase by 3 times. All that gives you good feelings about [consultant] and having him here and just the fact that you do seem to feel that [consultant] takes an interest...</td>
</tr>
</tbody>
</table>
Interview 1: 19/06/99.
Do you feel that you understood the reasons why the consultant made the recommendations he did?

Not all the time. Sometimes I would go off and I would start doing these things and then I would start thinking "where is this going to go, why are we going through this"...at the next meeting, I would say...where is the direction, what's it about.

Interview 2: 24/06/99.
Even though you did not always understand the reason for the consultant's recommendations, you implemented them all?

We would try them all, we were paying a lot of money so it seemed pointless if you didn't try them all. You had to trust that they were going to work.

PROBE: Which recommendations did you reject after first trying them?

One of the first ones, about which I was very uneasy at the time was the suggestion that I walk down the main street and look at some of the shops, and I tell the owner that I could help their shop just by changing their appearances a bit. Even though it was just not me...I gave it away pretty quickly...

Interview 1: 19/06/99.
Did the consultant's level of commitment vary during the project?

No, not really. He seems to have the same genuine interest in our business now as he did when we first started. Probably comes back as to why do I keep using [consultant] at this stage. Really it's a checkpoint...my biggest worry is going broke, and I do not want to go broke...I still feel happy about having these people come in and work with me to tell me we are going OK. I trust [consultant] to let us know if he saw us heading down the gurgler; he would bring it to our attention; he doesn't just tell what we want to know. I guess that's really what we're talking about; that's why I trust him; I know he will tell me the truth. I expect him to tell me things straight up; that's why I'm paying him and so far he always has.

Interview 1: 19/06/99.
What did you conceal or were hesitant to reveal to the consultant during the course of the consultancy?

No, nothing. We needed someone to assist us. If this person is to help us he needed to know where we were coming from; again it comes down to trusting them; we got on well and you just felt you could trust him with everything. I guess we were hesitant at the start; but as some of his ideas started to work we ended up giving him everything... ...if we didn't have a good relationship from the start maybe I wouldn't have.
Table IV.5. Case Study Two - John. 'Power' – Tabulated Data Excerpts.

<table>
<thead>
<tr>
<th>TRANSCRIPT AND SALIENT TERMS</th>
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<tbody>
<tr>
<td><strong>Interview 1</strong>: 19/06/99.</td>
</tr>
<tr>
<td>Did you always feel that your contribution or input to the consultancy project was respected by the consultant?</td>
</tr>
<tr>
<td>I think so. I suppose because he listened to you, and we discussed each recommendation and that sort of thing.</td>
</tr>
<tr>
<td><strong>Interview 2</strong>: 24/06/99.</td>
</tr>
<tr>
<td>Can you give me an example of how the consultant signalled to you that he was listening to you?</td>
</tr>
<tr>
<td>He didn't come in and say this is what we are going to do and this is how you do it...if he did, we would have told him quickly where to go. He seemed to respect what we were telling him, just his body language stuff, you know, seemed to show he was listening.</td>
</tr>
<tr>
<td><strong>Interview 1</strong>: 19/06/99.</td>
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<tr>
<td>How easy was it to ask questions of the consultant?</td>
</tr>
<tr>
<td>No problem. I never felt that I couldn't ask him anything. Everything was always discussed. He would always encourage us to ask questions and together we would sort things out...it didn't matter what my problem was if I brought it to his attention and wanted to discuss it with him, he would always sit there and sort out the problem, go through it.</td>
</tr>
<tr>
<td><strong>Interview 1</strong>: 19/06/99.</td>
</tr>
<tr>
<td>Did you question any of the consultant's recommendations?</td>
</tr>
<tr>
<td>Occasionally, very occasionally...yeah, there was only some things that he had us set off to go and do, which we started, but when we next saw him, we said &quot;we gave that a miss&quot;...on the whole we thought OK he seems to know what he's on about; we should give it a go. At least he seemed to know what he was on about...</td>
</tr>
<tr>
<td><strong>Interview 2</strong>: 24/06/99.</td>
</tr>
<tr>
<td>How did he react when you questioned his recommendations?</td>
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<tr>
<td>No problem. What I got from him is that he doesn't really care what I do after we set something up; the thing is that we are then changing it to something that we think might more suit us; we were learning type of thing. His role is that he got us doing it. He gave us a starting point, he initiated some sort of action, and then we've shaped it to suit what we really wanted in the long term. But that is an achievement because it has got us going, to actually do something about it and that's happened heaps of times. It was if his job was finished once we got going and felt confident in what we were doing.</td>
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</tbody>
</table>
Interview 1: 19/06/99.

Do you believe the consultant used a lot of ‘technical’ type language?

No. He'd get told if he did. As I said before if they can judge who they are working with. I am 4th year out of school, did my apprenticeship, liked the game and it has just grown from there. So if he comes to me using high tech terms I would ask him what does it mean. I think he deliberately avoided using big words with me (laughs).

Interview 1: 19/06/99.

Were you conscious of any 'power' that you may have had over the consultant?

I don't operate that way anywhere. I certainly wasn't aware of any power over him.

Interview 1: 19/06/99.

Were you conscious of any 'power' the consultant may have had?

I don't think so, no. He had no power over me that I could see; it was my business.

Interview 1: 19/06/99.

In the relationship you had with the consultant, would you consider yourself an equal?

Yeah. Definitely... I've seen power struggles, I've seen power struggles in our own organisation. That's happened at times, and I don't like it, and I really challenge it straightaway to get rid of it. There was no power struggle between me or [consultant].

PROBE: How would you define "power struggle"?

The one that manipulates to try and make himself look good. It's always someone else's fault; they don't take the blame for anything. Not that you are looking for someone to take the blame, but if someone fouls up, it's just nice for them to say look, I've stuffed up here. With [consultant] it was a working companionship in the business, to do the best for the business. He would use his experience and knowledge to give us direction, but he did not try and control or force me into taking something on. No, I don't believe he did, not unless he is very good, and he managed to get around me without me actually picking that up.

Interview 1: 19/06/99.

Do you think the consultant ever 'took advantage' of your relationship?

... no I don't think so... I can't think of any occasion when he did.
Table IV. 6. Case Study Two – John. ‘Comfort Zone’ – Tabulated Data Excerpts.

TRANSCRIPT AND SALIENT TERMS

Interview 1: 19/06/99.
What do you consider are important features of any consultant/client relationship?

...there can't be personality clashes...you have got to be able to work with the person, and this is what I more or less selected the consultant on. Not so much from price, I suppose understanding where they are going. There have been a few times when we haven't understood the direction he was going and why we are doing this sort of thing...communications and trust have to be pretty good, and I suppose making sure you are achieving what you set out to do...if you can see you are actually achieving, things go a lot smoother...being able to get on together is real important though.

Interview 1: 19/06/99.
What were the important reasons that made you select one consultant for this project over another from the list of names supplied by DSRD?

The way he wanted to do it. One day per month. That sounded a better way than how some of the others wanted to do it. From the outset, he definitely seemed like someone I could work with, someone I could trust. He seemed interested in listening to us...one of the others; I didn't think we would "click". I'm sure we wouldn't have, because I have actually come across that person a couple of times, at seminars and things like that. He is still the same as he was the day he came to interview us, an arrogant arsehole; he thinks he knows everything. When he interviewed, us it was this is what I'm going to do, and you are going to do this, take it or leave it.

Interview 1: 19/06/99.
What was your perception of the level of 'expertise' of the consultant you selected for this consultancy compared to the others?

I don't know.

Interview 2: 24/06/99.
What do you think the term 'expertise' means?

...if you are looking at credentials, I don't look at credentials when I employ people. I employ more on just a gut feeling. [consultant] had the experience to do the job.

Interview 2: 24/06/99.
Do you consider 'expertise' important in selecting a consultant for a consultancy project?

I suppose it is, he seemed to know what he was talking about. He touched across all the areas that I hadn't even thought about, like marketing and budgeting, percentages and all that sort of stuff. He impressed me with his general knowledge of all business aspects, which obviously would have helped along with the fact that it seemed as if we could get along.
Interview 1: 19/06/99.
Would you describe the consultant you used for this project as a friend or colleague?

A colleague. I have never rang him up and said come around. I don’t know where he lives (laughs). I think it is good to keep it straight business.

PROBE: So you think there is a barrier between you and the consultant? You said earlier that you don’t socialise...

No, when he comes down it is business. He is paid well and what he does, he does well. And that’s what we are here for at those times – business…there is a friendship of sorts there, but it’s not explored to a social extent. I mean we don’t sit down and talk about the weekend’s footy scores.

Interview 1: 19/06/99.
Do you like the consultant you engaged on this project?

Yes.

PROBE: Why is that.

He calls it straight, there is no crap. He is straight up and down. If he thinks you are on the wrong track, he tells you and I appreciate that. I don’t like the ones who don’t want to tell you something because they think they are going to upset you. They need to be honest with you.

Interview 1: 19/06/99.
Why would you recommend the consultant you used to a friend or a business colleague?

After seeing what’s happened with our business, I feel that he could do it, probably with any business…just in general he was easy to get on with.

Interview 1: 19/06/99.
Would you say that you had a good working relationship with the consultant from the outset of the project?

Yes. A little bit hazy at first, because we probably didn’t know what was going to happen but once we saw the results coming through…once he showed he could do the job and we were sure we were going to get on OK, things only got better once we were sure it was going to work.

Interview 2: 24/06/99.
In the previous interview you say you were hazy, hazy about what?

Well, the process and why was I spending $8,000. We didn’t know if it was going to work and what you were going to get for it. Especially when $8,000 was pretty hard to find at the time…you had to trust him.
**Table IV.7. Case Study Three – Bruce. ‘Trust’ – Tabulated Data Excerpts.**

<table>
<thead>
<tr>
<th>TRANSCRIPT AND SALIENT TERMS</th>
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<tbody>
<tr>
<td>Did you trust the consultant?</td>
</tr>
<tr>
<td>Absolutely.</td>
</tr>
</tbody>
</table>

**PROBE: Why would you say that?**

She had a very trusting nature. At all times she appeared to be completely open, honest, frank and forthright and there was never anything that made me feel distrustful of the person.

**Interview 1: 22/06/99.**

**What do you mean by the term ‘trust’ in the context of your relationship with the consultant?**

Trust comes in two ways. The major way is the honesty factor and the other way is in a confidentiality factor. In both of those areas, I thought that she was excellent.

**Interview 1: 22/06/99.**

**Did anything happen during the course of the consultancy to change the level of trust that you placed in the consultant?**

No...not on those two parameters I indicated before.

**Interview 1: 22/06/99.**

**At the end of the consultancy did you consider that both you and the consultant shared a common view as to the future direction of the business?**

...not sure how to answer that because at the end of the consultancy we had gone through the complete exercise and it hadn’t worked...

**Interview 1: 22/06/99.**

**Do you feel that you understood the reasons why the original consultant made the recommendations that she did?**

It was what I expected, all of her reasoning seemed to me to be sound at the time. It was only later that I realised there was a missing link that the other fellow picked up on...looking back now I don’t think she was a good choice...her area of expertise was too narrow. Not in the areas we really needed.

**PROBE: How could you have known this before you started the consultancy?**

It wasn’t for me to know this, it was the consultant’s I was paying her to know this, she was supposed to be the expert. The second consultant seemed to be able to pick up on the issues OK...he was more level headed.
PROBE: What do you mean by the term “level headed”?

He was older, more my age...he had more experience I think.

Interview 1: 22/06/99.
Did you implement all the original consultant’s recommendations?

Yes. No half measures. I had every faith in this person and I implemented all of the recommendations because they all seemed to me at the time to be soundly based. Because at that point I still hadn’t clicked that there was another problem that we hadn’t looked at...that was the industry changes.

Interview 1: 22/06/99.
Did the consultant’s level of commitment vary during the project?

No I wouldn’t say so, though at the end once she knew I was bringing in another consultant she seemed to lose some interest. We didn’t see her much after that.

Interview 1: 22/06/99.
What did you conceal or were hesitant to reveal to the consultant during the course of the consultancy?

As I said before, no half measures. I gave her everything I didn’t think she would be able to do her job without seeing everything.

Interview 2: 02/07/99.
Were you hesitant to reveal anything at all?

I didn’t show her the books on the first meeting sort of thing...but once I was certain I could trust her.

PROBE: How did you know when this point was reached?
Very early...You just knew you could trust her...she didn’t do anything that made me feel I couldn’t trust her.
Table IV.8. Case Study Three – Bruce. ‘Power’ – Tabulated Data Excerpts.

**TRANSCRIPT AND SALIENT TERMS**

**Interview 1: 22/06/99.**

Did you always feel that your contribution or input to the consultancy was respected by the consultant?

Absolutely.

**PROBE: Why do you believe that?**

She took great pains to go over everything that I wrote. Anything that wasn’t at all clear to her, she came back to me and said “look what do you mean”, it was always what do I mean and she was constantly asking me to elaborate on what I had said and what my feelings were. That was constant. Not that I think she really understood the point I was making.

**Interview 1: 22/06/99.**

How easy was it to ask questions of the consultant?

Very easy indeed. It would be pointless if it was not easy, she was always at great pains to reply as well as possible and as promptly as possible to any questions that we had, though in the end the answers were not what I wanted to hear.

**Interview 1: 22/06/99.**

Did you question any of the consultant’s recommendations?

Only towards the end, early in the piece, no, towards the end when we were getting to a point where we were looking for conclusions, I then began to question whether we were getting anywhere.

**How did the consultant react to that questioning?**

When I expressed concerns that we were not getting anywhere she said OK lets look at what else we can do...but that did not come up with anything else, then I suggested that another consultant be brought to review what we were doing to see if that consultant could come up with some extra ideas.

**Interview 2: 02/07/99.**

How did the consultant react to having a second consultant come in?

I don’t think she was happy about it...not happy at all...but she also was not obstructive. I think she felt a little bit let down, disappointed but that wasn’t my brief or my problem.
Interview 1: 22/06/99.

Do you believe the consultant used a lot of 'technical' type language?

No. I think she deliberately avoided it. It was just conversation.

Interview 1: 22/06/99.

Were you conscious of any 'power' you may have had over the consultant?

I was never disenfranchised (loud). I certainly had power at all times. There was never a time when I felt I did not have power. I was always in full control of the business and the direction of the consultancy.

Interview 1: 22/06/99.

Were you conscious of any 'power' the consultant may have had?

Only as a colleague. We gave one another advice, she would listen to my advice and I would listen to hers and consider if I thought it was of any use.

PROBE: What do you mean "only as a colleague"?

She was working for me. I was employing her, the same as any other employee in the business. She had no power.

Interview 1: 22/06/99.

In the relationship you had with the consultant, would you consider yourself an equal?

There was an equality and a respect there. I feel that I always respected her as a person even if she did not solve my problems...I was disappointed that she did not solve my problems, I was paying a lot of money and I expected answers and I guess when I failed to get those answers...didn’t feel we were getting anywhere I didn’t put a great effort in and thought we might as well draw an end.

PROBE: Is there any way that you signalled to one another you were equals?

Only in the usual body language way. There was never any dominance and there was never any subjection. That’s all in the way people stand next to one another and talk.

Interview 1: 22/06/99.

Do you think that the consultant ‘took advantage’ of the relationship?

No...I gave her no opportunity to...I was always in control.
Table IV.9. Case Study Three – Bruce. ‘Comfort Zone’ – Tabulated Data Excerpts.

**TRANSCRIPT AND SALIENT TERMS**

**Interview 1: 22/06/99.**  
What do you consider are important features of any consultant – client relationship?

The business owner or manager has to have a **lot of confidence** in the consultant and the consultant needs to establish that really early in the piece, otherwise it’s fruitless. So the consultant has to **demonstrate a competency** that they have the **skills you need**.

**PROBE:** Do you think the consultant did that in your case?

To some extent I was **disappointed** in the end, because the **end result** didn’t go where I thought it should have gone. So I was disappointed with the end result. But certain **levels of competency were demonstrated.** In the early stages, I had every **confidence** but it declined as the project went on, I **lost faith** in the consultant.

**Interview 2: 02/07/99.**  
Can you look back and see any explanation for your decline in confidence?

Yes…there was more than one consultant involved in the end, there was one consultant initially appointed and that consultant had **excellent expertise** in some areas, but there were some areas that I **needed assistance** in where that expertise wasn’t there...and we did not **get on** as well as perhaps we could.

**Interview 1: 22/06/99.**  
What were the important reasons that made you select one consultant for this project over another from the list of names supplied by DSRD?

One didn’t **impress** me too much at all. He came along and said well, what I am going to do is take all your details and feed them into a computer and its going to give me the answers...Another one did not seem to have the **vivacity and energy** or the **ability to relate** in the customer service area...I **felt** that we needed help in that area. I felt that this other consultant did not have that **skill**. Although he did have other skills...I was looking for a **whole package**. So we ended up with the one that we did go with...she seemed **competent** at the time in the areas I thought I needed help in.

**Interview 1: 22/06/99.**  
Would you describe the consultant you used for this project as a friend or colleague?

**Colleague.**

**PROBE:** Why?

There was certainly no pretence that we were **friends.** This was a totally **business relationship** and that’s where it started and stopped...we had **different backgrounds**. We were from totally different worlds.
Interview 1: 22/06/99.
Did you like the consultant who you engaged in the project?

Yes.

PROBE: Why?
She was personally very attractive person, great to be with, excellent to chat with.

Interview 2: 02/07/99.
Did you like Lyn more or less than the second consultant you used in the project?

That's difficult to answer. Neither one helped the business to any great extent. The second consultant though was more on the right track. The second one was a fellow, he was more perceptive. I think we had more in common with [second consultant], he seemed to understand our problem better. I probably did like him more, but not sure how.

Interview 1: 22/06/99.
Would you recommend the consultant you used to a friend or business colleague?

I would and did recommend wherever there was a need for staff motivation, customer service improvement, customer relations. Any of those areas through to an analysis of an existing business, she is fine beyond that no...she has a strong marketing background. She's that type of person...all go, full on.

Interview 1: 22/06/99.
Did you have a 'good working relationship with the consultant from the outset of the project?'

Yes. At the start but soon after we got into it...

PROBE: What do you mean?

She was always very co-operative, very helpful, very available. We could get in touch with her at any time if we had queries or concerns. So that the mechanics of the way we worked together were just fine. Couldn't fault her. She tried her level best to assist us. Genuine and sincere about that but I felt that there was something missing.

PROBE: What do you mean "missing"?

Hard to put my finger on it...perhaps we just didn't relate to one another well. I don't know...it's just a feeling things were not right between us...she didn't seem to understand what I was telling her.