Managerial Counseling

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Management is relatively new science and at the new era, when not all managers of the organizations, the organizations need the services of counselor. The work of the counselors includes recommendations of changes in the organizations. Managerial consultancy can be assisted by external managerial counselors and by external managerial counselors. Most of the managers prefer the internal managerial counselors. There are seven steps of the counseling practice: Referral, Entry and Contracting, Problem Definition, Data Collection, Analysis and Diagnosis, Presentation and Recommendations, Agreeing on the Strategy Action, Implementation and Follow Up and Termination. Some of these steps are very important: the most important steps are the referral and the implementation and follow up. The counselors can leave the organization when they feel that the change is assimilated, but many times their work continues for a long time.

Keywords: management, counselor, internal counselor, managerial counseling, managers, manager-counselor relationships

Management History

Management is as old as civilization. Five thousand years ago, when the Great Pyramids were built certainly, the project involved managing lots of people and material resources; the first written accounting documents are from the Sumerian civilization and date from 3000 B.C.; in 2000 B.C. Hammurabi's laws explain how to cope with issues such as real estate, business transactions, personal property, and labor (including minimum wages and liability issues); in 1500 B.C., Babylon already had color-coding methods for textile production control and production scheduling; China had detailed "job descriptions" for their state employees as early as 1100 B.C.; and in our Western civilization, Venice is a good example of how old certain techniques are. In the 15th century, ships were made in primitive assembly lines (utilizing their water channels) and records were kept on wage premiums, inventory control, and ship cost. The Industrial Revolution brought two completely new issues: a sharp division and specialization of human labor—including services—contrary to craftsmanship and the use of tools and equipment, usually automated, in the production of large quantities of standard, interchangeable parts and products, contrary to unique and customized products (Poppi, 2003, pp. 8-9).

The impact that these new issues had on management was tremendous. The relation between a person and his job, the number of employees who are involved in production, the large increase in the need of investment capital and working capital, the concentration in a production site, the necessity to reach new markets in order to sell such a quantity of goods—meaning new distribution and transportation methods, and the relationship

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among provider and customer industries brought problems that were never before experienced by any business person. The risk involved in managing all these issues made the old trial and error tactic tremendous and its outcomes destructive. From an evolutionary theory perspective, Fayol's management principles were simply an issue of survival of the fittest. Other results of the Industrial Revolution are the rising of managers as a new elite of people with influence in the economic evolution, first as inventors of new technologies and entrepreneurs, then as engineers as bureaucracy technocrats, and finally as MBAs allocating financial resources through tools like strategic planning. Other issue is the distribution of economic and social power (Poppi, 2003, pp. 9-10).

We could consider Adam Smith, with his economic theory of specialization, as the first theorist of the Industrial Revolution. He might be responsible for a concept that will ease for many years to come: that there is one-best-way of organizing and doing things. Between the late 1700s and early 1800s, Jean Perronet of France and Charles Babbage of England tried to predict precisely the man-hours of labor that are required for a given task using systematic research. But it was really Frederick Taylor who in the late 1800s tried to prove his arguments scientifically using observation, measurement, and analysis, given therefore to his practice of the term "scientific management" (Poppi, 2003, pp. 10-11).

Managerial Consultancy

In the 1920s, a few important partnerships of accountants, lawyers, and management engineers began giving professional advice to business companies. Growing at a rapid pace, these partnerships became "managerial counseling" firms to businesses. The type of advice given was mainly about company strategy, financial performance, and cost structure. Today, the first five Big Managerial Counseling firms account for nearly 45% of the incomes generated by the top 50 counseling firms (see Table 1). In 1999 Accenture alone employed more than 65,000 people. The amount of money that these firms move, the number of people involved in them, and the influence they have on the business community would merit a deep research on its own (Poppi, 2003, p. 31).

Table 1

Largest Management Consulting Firms by 1999 Revenues (Poppi, 2003, p. 32)

Firm	1999 revenues (\$M)
Accenture	7,514
Price Waterhouse Coopers	7,170
Deloitte Consulting	5,050
Ernst & Young	4,050
Computer Science Corporation (CSC)	3,640
KPMG Consulting	3,500
Cap Gemini	3,161
McKinsey & Company	2,900
Mercer Management Consulting	1,950
Andersen Consulting	1,400

Without theoretical basis, companies and their managers are often with no guidance and left it to other trust of the external counselor or not. There are several issues which should be taken into account by the managers, such as the need of top manager involvement, relation between BPM (Business Process Management) and the strategy of the organization and also careful relation of IT and the strategy of the business. The

necessary prerequisite for ongoing improvement is ensuring of up-to-datedness of business process models (Tkrman, 2010, p. 131).

Previous to counseling, managers usually made their way up within the organization, learning the art of the commerce and supposedly acquiring all the necessary knowledge to activate their businesses, just as artists would keep improving their techniques and trying new ones. Good managers were indeed usually more skillful in their own industries than any other person that could come from any other industry or field of practice. Turning to an outsider for help, from a completely different industry, could be seemed as a complete nonsense for this kind of manager. At some point in time, the paradigm shifted to considering that professionals with outside knowledge and no formal commitment to the company could improve its efficiency, it is still unclear when this old type of managers felt the necessity to call for outside assistance. This would be an important issue in order to understand an important shift in the perception of management. Even today, when the status recognition of managerial counselors is highly considered among the business community, the contradictions inherent to the counseling approach are evident. Firstly, counselors cope with the paradox of teaching a better way to their experienced customer's managers, and very many times they fail. Secondly, in previous times, if a new technology was discovered and seemed to be beneficial to a company more often than not a professional knowledgeable of that technology would be employed to work within the organization as an employee. No outside person would be allowed to work inside the organization, scooping around and collecting data and details of the technology in question. The commitment that counselors have to their customers is something that is really powerful and important and has to have happened to overcome this fundamental principle of keeping problems within the company (Poppi, 2003, pp. 23-24).

Managerial counselors and academics wrote similar work papers about BPM (Business Process Management), some even argue that BPM was just a repacking of old ideas in order to adjust them to new context. This was finally used to lead growth in the counseling industry (Trkman, 2010, p. 125).

Compared to the blue-collar employees, counseling work in knowledge job integrates abstract work and manipulation of symbols that represent the empirical world. In addition, this type of work requires formal knowledge that includes abstract, technical, and theoretical knowledge and during which there is an extensive use of thinking and cognition (Fuller, 1992).

According to additional definitions the counselor is a professional first and foremost who provides professional advices specific field of expertise as medicine, law, finance, organizations or other of esoteric field of knowledge. And also, the consultant provides the customer with the expert's knowledge that is usually required to perform ad hoc unusual tasks, when the use of the term counselors is sometimes presented in the context of labor employment and independent project financing in the particular workplace (<http://dictionary.cambridge.org>; <http://en.wikipedia.org>).

The motive that makes an organization look for a consultant will usually determine the type of employed counselor. A common characteristic in all Managerial Counseling, however, is the generalist way to approach the customer's organization. This means that although the Managerial Counseling team might have experts in specific disciplines, like information systems, tax accounting, or TQM, managerial counselors consider the problems or strategies from multiple perspectives (Poppi, 2003, p. 86).

Set against the view that is prominent in popular management discourse of a fundamental contradiction between innovation and standardization (and consultancy and bureaucracy), we have argued that counselor-led management innovation involves significant standardization. This occurs both at the level of standardizing

change agendas and standardized methods of implementation. Specifically, there is a variety of structural and cultural factors within large organizations which assist to explain why managers favor short-term, incremental innovation over more exploratory and experimental change. The literature about innovation and standardization emphasizes different dimensions of the relationship—discourse, practice, and perspective—each of which was shown to be theoretically important (Wright, Sturdy, & Wylie, 2012, p. 660).

Managerial counselors are often main figures in not only the promotion and diffusion of new organizational practices, but also their implementation. As management “fashion setters”, consultancies are important agents in identifying, popularizing, selling, and then measuring and comparing (“benchmarking”) new standards of organizational practice. For some critics, these activities signify management consultants standardizing role as “capitalism’s commissars” (Thrift, 2005, p. 93). More specifically, the trend for managerial consultancies to assist customer organizations in the implementation of change emphasizes how their role extends into embedding such standards. Counseling practices can also exhibit a further level of standardization, with an emphasis upon codified systems of change and project management—a standardization of confusing (Wright et al., 2012, p. 654).

While normative perceptions of managerial counseling emphasize exposure of creativity, customization, and innovation, we should argue that standardization is an important part of the practice of counseling. Moreover, in some cases, while the attitude or the style of internal counseling may be “advisory” and “facilitative”, counselors can efficiently act as regulators or controllers despite the power of their sponsors. In addition to identification of the different forms of standardization which inner counselors enact, we seek to understand some of its results, particularly in the terms of the potential for customization and translation of managerial ideas through negotiation with customers (Wright et al., 2012, p. 654).

Counseling Practice

Referral

This is an important step frequently overlooked by the literature. The referral of a counselor to the customer is critical, since it establishes the first judgment on confidence, reliability, and usually the method that the counselor will use. It also strengthens the obscure nature and the mutually strengthening relationship between the organization’s managers and the counseling company. It is not uncommon that companies will employ high rank managers from the counseling companies that they work with (Poppi, 2003, p. 87).

Entry and Contracting

This step includes the initial contact of the counselor with the company itself, in order to investigate the problems or desired purposes as presented by the organization. In this step, counselors frequently have to differentiate between what the customers ask for and what they really need according to the counselor’s criteria. Customers and counselors express their expectations, to later sign a written agreement (Poppi, 2003, p. 87).

Problem Definition, Data Collection, Analysis, and Diagnosis

This step involves defining and modeling the problems or purposes, deciding what method will be used to overcome the problems or reach the purposes, and what type of data should be collected. It can also involve collecting initial and secondary data, performing surveys and organizing focus groups, building models and conceptual frameworks, and soliciting feedback and ideas from specialists and others with relevant perspectives.

Finally the results of the research are analyzed to reach a diagnosis and evaluation of a tentative duration for the implementation of the proposed solutions (Poppi, 2003, p. 88).

Presentation and Recommendations

Managerial Counseling provides a lot of significance to the presentation of the diagnosis to the customer because they think that they only have one opportunity to accept the job. The presentation itself is generally made using some type of presentation software (often PowerPoint and referred to as a deck). Depending on the particular style of the counselor, decks are generally considered to be documents in their own that can be understood by all management, not just the people who are related to the project. The final objective of the presentation is to persuade management to implement changes. To reach this purpose, the language used in these documents tells a carefully designed and articulated story (Poppi, 2003, pp. 88-89).

Agreeing on the Strategy of Action

This step includes planning the implementation and performing of the counselors' advice. Counselors have the benefit at this step; since they are the specialists of imposing change, the management has little option but to follow the counselors' advice in what strategy to follow (Poppi, 2003, p. 89).

Implementation and Follow-Up

This is the trickiest and most important step. The involvement (or lack there of) of the counselor in the implementation of the planned change is a main issue. The deep differences that exist among various counseling attitudes become evident during this step. Most attitudes favor a periodical control to appreciate the evolution of the counseling in order to implement corrective action. Problems emerge when the gap between the counselor's advice and the feasibility of its implementation is significant. When this happens, the dilemma is that the gap most probably is created by the inadequacy of the model that the counselor used when he/she advised the solution. If the counselor sticks to this model, it is difficult that he/she will be able to narrow the gap (Poppi, 2003, p. 89).

Termination

This is the termination of the contract with the counselor. It is assumed that the organization is then in a position to continue by itself with the change that is performed. Very frequently the counselor remains for a long time with the customer, prolonging the counseling with no end in sight. This is a main problem that distorts the correct counselor-customer relationship and therefore must be addressed by both parties (Poppi, 2003, p. 90).

Counselors

Without theoretical basis companies and their managers are often with no guidance and left it to other trust of the external counselor or not. There are several issues which should be taken into account by the managers, such as the need of top manager involvement, relation between BPM (Business Process Management) and the strategy of the organization and also careful relation of IT and the strategy of the business. The necessary prerequisite for ongoing improvement is ensuring of up-to-datedness of business process models (Tkrman, 2010, p. 131).

Management, innovation, and the counselors who promote and support are both typically associated with the "new", with departures from the norm and from standard attitudes. Indeed, standardization is often seen as implement to innovation, especially in the current "post-bureaucratic" era (Wright et al., 2012, p. 652).

The counselors within the big companies are strictly organized in a hierarchical structure, and there are

great numbers of them. They approach the company from the top down, imposing their ideas as the true ones. Usually they start with an overall strategic program for the company, and then concentrate on profitability, efficiency, and productivity (Poppi, 2003, p. 34).

It is possible to expand the definition of counselor by saying that it is any professional who provides assistance to others, usually for a fee and not for a salary. Particularly in the case of Managerial Counselors, this term is used for “professional” whose most common responsibilities, among the many they have, are perhaps the identification, diagnosis, and resolution of business issues; officiating as specialists in a given industry, operational function, or business situation; serving as an unbiased, external third parties to validate a concept or argument; confirming hypothesis or point of view through exhaustive analysis; acting as conflict resolution mediators; teaching organizations how to make decisions or facilitating discussions to convert information to knowledge”. This definition is very inclusive, and therefore deserves a “taxonomical treatment” in the case of precision and a more careful analysis (Poppi, 2003, p. 29).

“Change agents” such as managerial counselors are often characterized as a main source of innovation. They are considered and positioned to transcend organizational interior and challenge existing norms through discontinuous innovation. For example, managerial counselors are seen as engaged in the “disruption” of dominant orders and feeling “practitioners” from “iron cages” that organizations become (Wright et al., 2012, p. 653).

Counseling Industries

There are counselors that are specialized in specific industries, particularly services, like banking or retailing, or in production, like mining and oil companies. These counseling firms may provide software that is specific to the needs of that industry, as well as market research and training tools for their managers and employees (Poppi, 2003, p. 37).

Another way of segmenting counseling company is to consider the functional practice or type of work, that has being performed. The most common includes corporate strategy, product strategy, operations management, information technology strategy, and systems implementation (Poppi, 2003, p. 37).

Internal Counselors

Internal counselors were often central actors in the creation, implementation, and sometimes enforcement of the new rules—a form of consulting regulation. In many cases the standardizing agendas relied upon the importation of externally sourced management models and fashions. In these circumstances they were sometimes assisted by external managerial counselors who provided such external standards or who worked in partnership with the internal counselor in customizing exploiting external models to better fit with the specifics of organizational processes and practices (a first-level form of innovation via the adaptation of a generic standards to form a new organizational standard) (Wright et al., 2012, p. 656).

Other major corporations have internal counselors who work for corporate strategic planning or business development groups. Nevertheless, many of these same companies spend a good amount of money on external managerial counselors. Typically, internal counselors are permanent employees, whose roles are identical to those of external managerial counselors, although they do not have many of the benefits of an external counselor, mainly the immunity of his/her critique of the company’s policies or managers (Poppi, 2003, p. 38).

The pursuit of a standardizing agenda was of specific significance for inner consultancies are associated

with managerial specialism. These agendas were seen as useful mechanism for the distribution of “best practice” (in itself a consistency), but were also considered as meaningful as means of improvement of the reliability of this specialism. For example, at Bank Co, a based global banking organization of UK; the inner HR counseling had developed an online tool that enabled HR managers to identify the connections between effective people managerial practices and main business performance indicators. This was part of a broad policy of HR issues further up the strategic agenda. As Stuart, the counselor explained: “You sit in executive board meeting for retail bank; all of them are seen as tangible, evidence based measures for how effective they are at sales, customer services and financial performance”. So why wouldn’t they expect to have some tangible measures for evaluation of the effectiveness of the people (Wright et al., 2012, p. 657)?

Internal counselors are specialist managers and groups (e.g. in operational efficiency, human resource management, and strategic planning) within organizations who facilitate and direct “client-requested change without formal authority to implement recommendations” (Wright et al., 2012, p. 654).

Summary and Conclusions

The managerial consultancy is very important work that the modern organizations need. It is seemed that internal counselor is more appropriate than the external counselor.

The work of the counselors assists for the managers to decide better decisions.

This work should be planned and all the steps of the work between the manager and the counselor are important.

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