

MANAGEMENT COACHING VERSUS MANAGEMENT CONSULTING: WHICH COMES FIRST?

Literature
reviews and
viewpoint

Keywords

Management
Coaching
Consulting
Mentoring
Personal Services
Professional Services

JEL Classification

L84

Abstract

In the fast growing business services market today, one manager may wonder whether to use coaching services or consultancy services. Questions might arise: which are the differences between the two types of services, their common points and the relationship between the two? This paper aims to explore the above mentioned questions while pleading for both services. The fact is that they are powerful processes that can bring added value to the organization through use of knowledge. The bottom line is that they work best in different situations, and they should not be regarded as a “one or the other” but as synergic knowledge related tools.

Consulting, training & coaching are all about transferring knowledge to the client. In time the method to do this may vary. We may imagine for instance that Thales and Pythagoras were consultants, constructing and formulating theories and schools of thought, Socrates and Platon were coaches, using dialogue as a main tool, helping people to reveal the truth from the inner self, while Aristotle was merely a trainer, teaching various theories at Academia.

In present days, various researchers and professional bodies are trying to examine and to list particularities and similarities of management coaching and management consulting. Here are some opinions we considered for the present paperwork:

Why Management Coaching Is Different From Management Consultancy

The differences of the two services can be described starting from the range of the objective. For coaching services the objective can range from: human change, behavioural modification, personality development, fostering cognitive ability, self-directed learning, and growth through challenge, for the consultancy services the objective can cover a broad ground, e.g. executive support, image/brand creation/maintenance/ modification, profitability, quality, product, service. Genderen (2014) Another major difference between the two is set by who exactly defines the problem, the issue. In the coaching process the coach sustains the client to define the issue at hand, as opposed to consulting services, where the consultant analyses the facts and the information given, and then based on his expertise he defines the problem areas. This brings forth the following major difference: the level of expertise needed in supplying the services. The consultant has to own a high level of expertise in the field of business when supplying the services, he has to be the specialist, for he is expected to give solutions and customize processes. The coach on the other hand is

not needed to hold a high level of expertise on the client's field of business. According to John Whitmore (2008), coaching is unlocking people's potential to maximize their own performance. It is helping them to learn rather than teaching them. Perry Zeus and Suzanne Skiffington (2008) state that coaching is a conversation between the coach and its client in a productive, goal oriented way; Coaching is learning – through different coaching techniques the client starts to autocorrect (learning to change his own behaviour) and to become auto-productive; Coaching means much more asking the right questions than giving answers.

Bernes E. (2007) states that coaching is a non-directive, professional process that helps individuals clarify values, strengths and priorities. Coaches help clients figure out what they want (in any area of life), set goals for getting there, and help them overcome the obstacles that get in their way. This definition shows another difference between the two: the directedness of the process. The coaching is a non-directive process, as opposed to consultancy where the consultant exercises his content knowledge in a highly directive way, maintaining a professional relationship with the client, based on a problem solving issue or dilemma. (Genderen, 2014).

The skills owned by the services supplier also constitute one of the differences. The two require different skills to be able to successfully supply the services. The coaching skills that are necessary for a successful coach are: Ability to understand/ employ the coaching process, the interaction between awareness/responsibility, deep listening, asking effective questions. A coach must have the following personal skills: self-esteem, regard for others, self-awareness, awareness of others, emotional resilience, personal power, goal directedness, flexibility, invitation to trust, balanced outlook, emotional expression and control, conflict handling. The successful

consultant also has to have consulting skills – examine the organization, understand the structure, assess the nature of power and politics, isolate the important factors, use related business practices and creativity to suggest solutions. Also a successful consultant must have the following personal skills: self-confidence, courage, initiative, perseverance, ability to listen, ability in oral and written communication, ability to teach people, ability to motivate and persuade, and emotional maturity. (Genderen, 2014).

Another difference between the coaching and consultancy processes is determined by the area where the services are provided. So to say, coaching process regards all aspects of the client's life, as a systemic approach, whereas consultancy regards only work oriented aspects.

According to Homan Blanchard & Miller (2010) each process has to deliver bottom line impact on performance. Coaching focus attention on underlying motivation that compels people toward effective relationships through deep listening and acceptance of wholeness; Model and impart unconditional curiosity that creates awareness, accesses hidden strengths and generates clarity and alignment, and also partner with leaders to co-create an environment for direct communication, powerful questions and team work that is the source of improved performance. Consultancy contribute new knowledge and technical competence for creating organizational results; Provide objective research and analytical assessment upon which to base relevant content recommendations for change; and also co-create answers and action plans for individuals and teams to create and manage knowledge as well as implement change.

L. Keltto (2010) defined a distinction between the coaching, consultancy, training and freelancing services provided to the organization based on the amount of problem solving and client interaction expected, and needed. He states that with

high client interaction and low expectation for problem solving, coaches need to balance a nurturing and stern sole in order for clients to get results. They need to see the client's problem in context. They are there to help the client set a tenable goal and to facilitate the process of the client reaching the goal by breaking down the work into manageable steps.

Also Keltto (2010) states that the consultant tends to be more analytical than the coach, as he analyses the client's problem and then suggests the best course of action to resolve the problem. Although there is high client interaction, consultants don't handhold and advise more than listen. Consultants are better equipped with analytical versus counselling skills.

The differences between coaching and consultancy are summarized in Appendix 1.

Why Management Coaching Is Part Of The Management Consulting

Basically, because in the latest years, the understanding of the term management consulting has evolved to such a broad meaning, being difficult to restrict it into tight boundaries. In the author's opinion, coaching is just one of the roles a consultant is playing while performing his work as a management consultant.

The acceptance of different activities as being "management consulting" has evolved during last years. Below one may find multiple definitions of the consulting profession, issued by European, Global or significantly relevant market professional bodies.

European Federation of Management Consultants, FEACO (2011), defines management consultants as the rendering of independent advice and assistance about management issues. This typically includes identifying and investigating problems and opportunities, recommending appropriate action and assistance with the implementation of the recommendations.

The following are considered the key fields of activity of Management Consultancy:

1. Corporate strategy and organisation development
2. Financial and administration systems
3. Human resources (including executive search and interim management)
4. Production and services management (including technology, logistics, R&D/Innovation and quality control)
5. Marketing and corporate communication
6. Information technology and systems
7. Project management
8. Economic and environmental studies

European Standard for Management Consulting, EN 16114, defines management consulting as being a set of multidisciplinary activities of intellectual work, within the field of management activities, which aim to create value or promote changes, by providing advice or solutions, by taking actions or by producing deliverables

O'Mahoney and Markham (2013) state that According to ICMCI, The International Council of Management Consulting Institutes, a Management Consultant is defined as one who helps organisations to solve issues, create value, maximise growth and improve performance through the application of their knowledge, techniques and assets to provide objective advice, expertise and specialist skills which the organisation may be lacking.

This definition includes those consultants who work alone as a singleton, as a partner or employee of a practice or firm and those who work as internal consultants in an organisation or government body whose primary purpose is not management consultancy

Milan Kubr (2002), a guru of management consulting, is defining the profession as "an independent professional advisory service assisting managers and organisations to achieve organizational purposes and objectives by solving

management and business problems, identifying and seizing new opportunities, enhancing learning and implementing change".

This definition focuses on 5 key issues:

- Achieving organizational purposes and objectives;
- Solving management and business problems;
- Identifying and seizing new opportunities;
- Enhancing learning;
- Implementing changes.

MCA, the British consulting association, defines the profession as "creation of value for organization, through the application of knowledge, techniques and assets, to improve business performance. This is achieved through the rendering of objective advice/or the implementation of business solution.(O'Mahoney&Markham, 2013)

Summarizing, consulting is about knowledge and transfer of this knowledge to the client. Three steps can be usually seen: diagnostic, solution and implementation. In my opinion, in all these three phases the consultant may act either as a pure adviser, as a trainer or as a coach. Or she/he may choose a different role.

O'Mahoney&Markham(2013) list in one of the most recent books on Management Consultancy published by Oxford University, (pages 89-91) several consultant roles. In their view, the roles of a consultant can be:

Expert

The reason most clients cite for the use of consultants in their firms is to perform tasks in which the firm does not have expertise (Czerniawska 2002). This construction of the consultant as expert not only benefit managers who needs to justify expenditures on additional resources but is also an image that has been highly cultivate by the large management consulting companies.

Coach/Facilitator/Process Consultant

Edgar Schein is arguing in his book *Process Consultant – Its role in*

organizational development that consultants should enable the client to understand the organization better and allow them to take the lead in diagnosing and ameliorating organizational problems. The role of the consultant in this situations shifts from being an expert to being a coach or a facilitator. For Schein consulting is “a set of activities on the part of the consultant that help the client to perceive, understand and act upon the process events that occur in the client’s environment in order to improve the situation defined by the client”

Friend

At the senior end of consultancy engagements, especially in the strategy firms, partners often develop strong friendship with CEOs and their board members. The relationship is established during years of interaction and it is enhanced because they often switch roles: many CEOs have been previously consultants, at the same time many executives choosing a consulting carrier at a certain moment.

Drones

From 2003 to 2006, professors Andrew Sturdy and Tim Clark conducted a longitudinal study into consultant-client interaction. One of their central finding was that, contrary to popular belief, consultants only “occasionally” bring expert knowledge into an organization. What they found that it was much more common for consultants to undertake jobs that the companies were too understaffed to perform themselves.

Political Agent

When analysts and academics undertake qualitative studies into the use of consultants by clients they often find that, contrary to the formal, espoused aim of the project, which is about enhancing organizational efficiency, consultants deploy themselves as political legitimisers of managerial actions (Clark and Greatbatch 2002).

The authors suggest in the book that actually, the consultants, is not really

aware of his role, or she/he is playing and switching different roles, as a project progresses.

As a conclusion, none of the definitions provided by all European and global professional bodies on management consulting contains a particularity of management consultancy which conflicts with the definitions of the management coaching.

We can of course write books in which we can argue that mineral water is actually different from regular water. But common sense tells us that they are both basically „waters” and the reasons people use them is pretty much the same. And this applies to management coaching and management consulting, to a significant degree, too.

Coaching And Consulting: Synergy Within Client Work

The term synergy () originates from ancient Greek and it means two actions (ergos) put together (sin). Initially the term designated the result of the common work of the deity, of God, and the work of the ordinary people; presently its meaning is “an effect of the interaction of the actions of two agents such that the result of the combined action is greater than expected as a simple additive combination of the two agents acting separately”. And regardless how we call it, this synergy is the goal of our actions, either we call it coaching or consulting.

Actually, looking at the differences between the two services, one can easily see the way this two can complete each other if partnering to address key organizational issues. Using consulting and coaching services is a synergistic win-win formula. Consulting competence attends to the process of change relevant to business content such as strategy, operational execution, and productivity. The mix of the two gives the opportunity to simultaneously address the human relationship with change. Effective consultants bring organizational leaders strategic awareness about essential

knowledge within an industry, and effective coaches facilitate leader awareness of blind spots and limiting beliefs that exhaust energy and hinder innate creativity. In this way it is created the services wholeness focused on developing the people who will sustain an organization in any economic or competitive landscape. (Harvey 2010)

Both services require “change”, are goal and solution oriented. Both target enhancing the organizational performance. There appear to be many common competencies/skills required for success in the capacities of both coaching and consulting: emotional intelligence, creative/critical thinking, interpersonal and communication skills, etc. The relationship between the incumbent and the customer will most likely depend on the situation, as well as the preferred working style of both parties. According to Genderen (2014), coaching and consulting, whilst not being identical professions – are also not mutually exclusive, and are far from being mere overlaps. Their core purposes are both to improve professional performance via human beings.

This is why more and more consultants, these days, tend to adopt a more coaching approach as well as coaches tend to add consultancy to their services portfolio. It is already proven that awareness and responsibility have the potential to generate solutions, and also a challenging relationship with a neutral third party helps thinking through difficult issues.(Berman&Bradt, 2006). It is the coaching and consulting mix that helps the client identify its own solutions and overcome blockages for issues that are in his area of expertise and knowledge, and also to access expert advice and solutions for matters that are out of his area of expertise.

Consulting, training & coaching are all about transferring knowledge to the client. In time the method to do this may vary. We may imagine that Thales and Pythagoras were consultants, constructing

and formulating theories and schools of thought, Socrates and Platon were coaches, dialoguing with the client, helping himself to reveal the truth from the inner self, while Aristotle was merely a trainer, teaching various theories at Academia.

There is no such project in which we perform just a consultant, or just a trainer, or just a coach role. Or just a single role. Our main role is to add value to the organization using knowledge; whether we call it consulting, training or coaching is actually less relevant to the client.

Perhaps one of our mistakes is that we tend to call our work using terminologies we invent: we name ourselves coaches, consultants, trainers, facilitators, etc.; we should probably allow, at least from time to time, the client to name our work and our position because the reality is the one which is seen through the eyes of the client.

Maybe we should call ourselves knowledge suppliers, or providers of added value.

References

- [1] Berman W.H. &Bradt G. (2006).Executive coaching and Consulting: “Different Strokes for different folks”.*Professional Psychology: research and Practice, Volume No.37* (Issue No.3), 244-235. doi:10.1037/0735-7028.37.3.244
- [2] Bermes E.O. (2007).Coaching vs. Consulting. Which is which and what to look for. *Business People,November*, 42-43.
- [3] Clark, T. &Greatbatch, D. (2002). Knowledge Legitimation and Audience Affiliation through Storytelling: The Example of Management Gurus. In T. Clark and R. Fincham (eds.), *Critical Consulting*. Oxford: Blackwell. 152-171
- [4] Harvey J. (2010).Wholeness Matters. Be consultant and coach.*Choice the magazine for professional coaching. Volume No.8* (Issue No.2), 27-30.
- [5] Homan Blanchard M. & Miller L.J. (2010).Coaching and Consulting, meeting client expectations with an artful blend of these two synergistic disciplines.*Choice the magazine for professional coaching, Volume No.8*.(Issue No.2), 22-26.
- [6] Keltto J.(2010) Coaching vs. Consulting vs. Training vs. Freelancing: Which one is best for you? *The solopreneur life*, Retrieved fromwww.thesolopreneurlife.com

- [7] Kubr M. (2002), *Management Consulting, a guide to the profession* (4th ed.) International Labour Office, New Delhi, Bookwell
- [8] O'Mahoney J. and Markham C. (2013), *Management Consultancy* (2nd ed.), United Kingdom, Oxford University Press.
- [9] Van Genderen E. (2014). Strategic Coaching and Consulting: More similar than meets the eye, *Middle east journal of business*, Volume No. 9 (Issue No.1), 3-7.
- [10] Whitmore J. (2008). *Coaching pentru performanță*. [Coaching for performance] Bucharest, Public Publisher.
- [11] Zeus P. & Skiffington S. (2008). *Coaching în organizații – ghid complet* [The complete guide to coaching at work], Bucharest, Codecs.
- [12] FEACO, European Federation of Management Consultancies Associations (2010), *Constitution as modified by decision of the Presidents*.
- [13] European Committee for Standardisation (2011) *EN 16114:2011, Management consultancy services*, CEN/TC 381

Appendices

Appendix 1: Differences between coaching and consultancy

Coaching	Consulting
The objective can range from: human change, behavioural modification, personality development, fostering cognitive ability, self-directed learning, and growth through challenge.	The objective can cover a broad ground, e.g. executive support, image/brand creation/maintenance/ modification, profitability, quality, product, service.
The topic/ problem is identified by the client	The topic/ problem is left to the consultant to distinguish.
The coach doesn't need to hold the expertise	The consultant is one that holds the expertise, who can analyze, identify, recommend, and implement the desired changes. He is the specialist within an area.
The coach has a non-directive approach	The consultant exercises his content knowledge in a highly directive way, maintaining a professional relationship with the client, based on a problem solving issue or dilemma.
Coaching skills – Ability to understand/ employ the coaching process, the interaction between awareness/responsibility, deep listening, and effective questions. A coach must have the personal skills: self-esteem, regard for others, self-awareness, awareness of others, emotional resilience, personal power, goal directedness, flexibility, invitation to trust, balanced outlook, emotional expression and control, conflict handling	Consulting skills – examine the organization, understand the structure, assess the nature of power and politics, isolate the important factors, use related business practices and creativity to suggest solutions. A consultant must have the personal skills: self-confidence, courage, initiative, perseverance, ability to listen, ability in oral and written communication, ability to teach people, ability to motivate and persuade, and emotional maturity. Technical skills – knowledge and experience in a technical subject
A coach asks questions goal oriented. Is promoting discovery.	A consultant gives answers and solutions. Is oriented on solving.
Coaching process regards all aspects of the client's life	Consultancy regards work oriented aspects
Focuses on “you”	Focuses on “me”
Promoting interdependence	Promoting dependence
Focus attention on underlying motivation that compels people toward effective relationships through deep listening and acceptance of wholeness;	Contribute new knowledge and technical competence for creating organizational results
Model and impart unconditional curiosity that creates awareness, accesses hidden strengths and generates clarity and alignment;	Provide objective research and analytical assessment upon which to base relevant content recommendations for change.
Partner with leaders to co-create an environment for direct communication, powerful questions and team work that is the source of improved performance.	Co-create answers and action plans for individuals and teams to create and manage knowledge as well as implement change.

Genderen (2014), Zeus & Skiffington (2008), Blanchard & Miller (2010)