***Operational and ethical issues when integrating consulting and coaching in service of organizational change*.**

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Abstract. *This article presents the operational and ethical issues when integrating consulting and coaching to support organizational change.*

It describes a process that integrates consulting, individual & team coaching, and training to support individuals and teams in a business department of the largest multichannel cable and satellite TV service in Latin America, a group of 137 people, and the dilemmas faced by playing the multiple roles of consultant, coach, trainer and facilitator.

Key words: ethics, executive & team coaching, training, organizational development, and consulting.

Type: Specialized Practice Area.

Introduction

Coaching has been an additional practice to the human dimension of consulting for more than four decades, considered one of the more powerful of the confrontive interventions (Schein, 1969). Consulting companies focused on human resources development (HRD) and organizational development (OD) have incorporated this line of service, blending coaching with a variety of interventions such as executive development, change management, team building, team development, and training.

Combining consulting with coaching for change may provide a powerful approach to help individuals and groups deal with the idiosyncrasies of change and transition. From the consultant-coach perspective, there are critical operational and ethical issues that must be addressed, especially, defining who is the client, contracting, confidentiality, servicing multilevel clients and dealing with conflict of interest. Although most coaching membership associations have codes of conduct and ethical standards, practitioners seldom have clear guidance to solve ethical dilemmas when working directly with organizations and clients (Duffy & Passmore, 2010).

Due to confidentiality agreements associated with consulting and coaching contracts, there are limited cases that describe the inner aspects of the consultant-coach relationship with clients. This paper aims to describe a change management project where consulting and coaching were applied simultaneously, the ethical and operational challenges that surfaced and how they were dealt.

Methodology

The approach used is Donald Schon's (1987) reflection-on-action. The practitioner-researcher spends time exploring his practice to build up a collection of images, ideas, examples and actions that can be drawn in the future and contribute to the practice field.

The author conducted 8 one-hour semi-structured interviews (directors, managers and his partner in consulting) and focus groups with 11 coordinators, 24 months after the beginning of the project. The author employed grounded theory to review sessions notes and interviews to build a series of descriptive and conceptual codes, following the original methodology offered by Glaser and Strauss (1967) as a framework.

Conceptual framework

In this paper, when referring to consulting, it will mean the work done by third parties in organizations to intervene in their social system to support the achievement of a given objective. It combines non-directive and directive approaches to facilitate change, which require the consultant-coach to play different roles:

- Technical expert: providing knowledge and best practices on the field of change management.
- Process specialist: focusing in interpersonal and intergroup dynamics, facilitating the dialogue needed to reach the objective.
- Solution facilitator: supporting clients to frame the problems they need to tackle, provide knowledge, when required, identify alternatives, clarify decisions, and build action plans.
- Coach: supporting clients to reflect on their contexts, analyzing options and making conscious decisions.
- Trainer: running training sessions to develop clients' knowledge and skills focused on their new roles and challenges.

Combining change management consulting with facilitation and training is a common practice as well as using internal coaches to deliver team building activities, training and internal effectiveness consulting and mentoring (Frisch, 2001). In that context, it does not make much practical difference in separating the nomenclature of consultant and coach. Tobias (1996) sustains that any difference is in the focus of the activity: individual (coaching) and organization (consulting).

Organization members may not distinguish the difference between consultants (OD, HR, management) and coaches, but see all as helping resources. In that case, the most important is clarifying the different roles, activities and codes of conduct involved.

The space of consulting is the interactions (hierarchical, lateral and transversal) between different stakeholders, where imbalances of power and influence impact the level of collaboration and the attainment of organizational objectives. Consultants are often called due to the difficulty of the client organization to freely investigate and effectively address its own issues (Krantz & Gilmore, 1991).

Entering into client's system, consultants must quickly understand who holds the power to decide on issues related to the job at all stages, what are the stakes for the main stakeholders and their positions, who should be kept informed and those whose collaboration will be essential for the project success (Kubr, 2002). Understanding the organization culture and social and political contexts will allow for a better contracting, especially when doing multilevel interventions.

Hawkins (2011) proposes that systemic team coaches work with team members together and apart to deal with their stakeholders and transform the business, which requires understanding "how the coaching project fits in with and supports the wider strategic, culture change, leadership development and organizational development processes of the wider organization". While Hawkins attributes little meaning to the combination of consulting and coaching, it clearly demonstrates who they are serving: the organization's interests.

Executive coaching has been criticized of being an instrument to promote the organization's normative ideology and manipulation (Chambefort, 2006; Coopey, 1995; Malarewicz, 2007). First, coaching sponsorship only happens because those in authority positions are convinced that it will serve their agenda. Second, during the tripartite process (coach-client-boss) to align the coaching objectives, despite the space created for the coaching client to express intentions and objectives for the job, this only happens with the boss'consent.

Consultants and coaches are not neutral. Their interventions may create space for dialogue and give voice to the organization members, foster collaboration and cooperation, create opportunities for reflection and adoption of new attitudes, mental models and skills, but they are all bidden in the contract with the organization. They serve a corporate agenda that might conflict with the interests of individuals and groups being consulted, coached or trained. They serve a normative ideology that the organization is pursuing.

In a field loosely defined and with a variety of practices, ethical issues are critical, as coaches and consultants operate independently of any professional or governmental body (Brennan & Wildflower, 2010). Duffy and Passmore (2010) maintain that an ethical code helps prevent dangerous practices from harming clients, the public, or the coach.

Ethical thinking is embedded in professional bodies, coaching professional organizations (International Coaching Federation - ICF, European Mentoring and Coaching Council - EMCC , Worldwide Association of Business Coaches - WABC and International Association of Coaching: - IAC) and consulting professional bodies (AMCF Association of Management Consulting Firms - AMCF, Association of Change Management Professionals - ACMP and European Federation of Management Consultancies - FEACO) all maintain codes of conduct or ethical standards, however, practitioners seldom have clear guidance to solve ethical dilemmas when working directly with organizations and clients (Law, 2005). What are the consultant-coach ethical responsibilities to each part involved in a multidisciplinary approach in a client system? (Fisher, 2009).

Case description

This section illustrates how the consulting service unfolded to provide additional coaching and training services, which was designed to support organizational change and personal transitions. It also describes how the intervention progressed from one consultant working primarily with the senior executives and expanded to the larger leadership team in the organization.

As agreed with the organization, the author will not disclose the organization structure in detail, the identity of the business area nor the names of its employees.

The Globosat case

Globosat is the largest multichannel cable and satellite TV service company in Latin America, based in Brazil. In June, 2014, it had 2.189 employees and one of its business areas had been working for a year with an organizational consulting firm to restructure two out of the four departments reporting to a Business Director, impacting 137 people.

The Business Director, reporting to the CEO, had been working for the company for 17 years. In her early 60's, she had the intention to "leave the organization well-structured before retiring", which she planned to do in 2 years. Manager A, in his late 50's and 21 years of service, had 80 people working in his structure. Manager B, in his late 30's, 18 years of service, was recruited by Manager A as a trainee, and had 54 people working in his structure. They both had a strong personal relationship among and with the Business Director.

The author had been working for Globosat for a year as a coach, and performed consulting in other companies owned by Globosat's parent company, Grupo Globo, the largest media conglomerate in Latin America. The author's main relationship at Globosat was the HR area, represented by the HR Director, OD Manager and her staff.

The consulting job involved clarifying the direction and purpose of the change project, aligning actions and resources, and engaging (cognitively and emotionally) the people leading the change process and those affected by the change. There were clear products and outcomes for the consulting job: a team charter for change, descriptions of the change initiative, impact maps, protocols to deal with resistance, and a detailed change plan aligned with a communication plan. It also involved preparing managers to lead the change process up to its deployment to all employees. The core of the project was enabling the client to lead its own change process. Contracting involved the HR area and the Business Director, where the consulting plan was laid out and roles and responsibilities initially aligned.

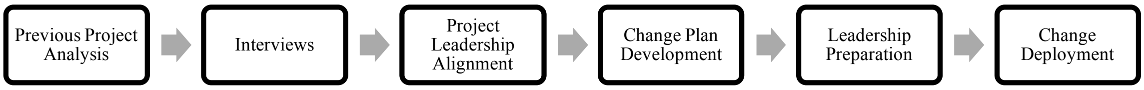

Figure 1: Consulting project phases

The author's introduction to Managers A & B was communicated by the Business Director, and all logistical details (booking interviews, setting-up meetings and workshops) were done by the HR business partner involved with the project. Managers A & B were informed that the new consultant (author) aimed to help the group advance with the change process.

Many projects don't succeed because they fail to address underlying issues that are hard to deal with openly. The Business Director wanted to implement a new structure that considerably changed the scope of the two managers. Despite creating 9 new full time positions, and two management positions, Manager A's team would reduce from 80 to 22 people while Manager B would increase his staff from 54 to 121 people. That had the potential to create the sense of winners and losers within a community where camaraderie and personal relationships are highly valued. The good personal and working relationship between managers A & B could have been severely impacted with the change, and the larger community had eyes turned to what was going on.

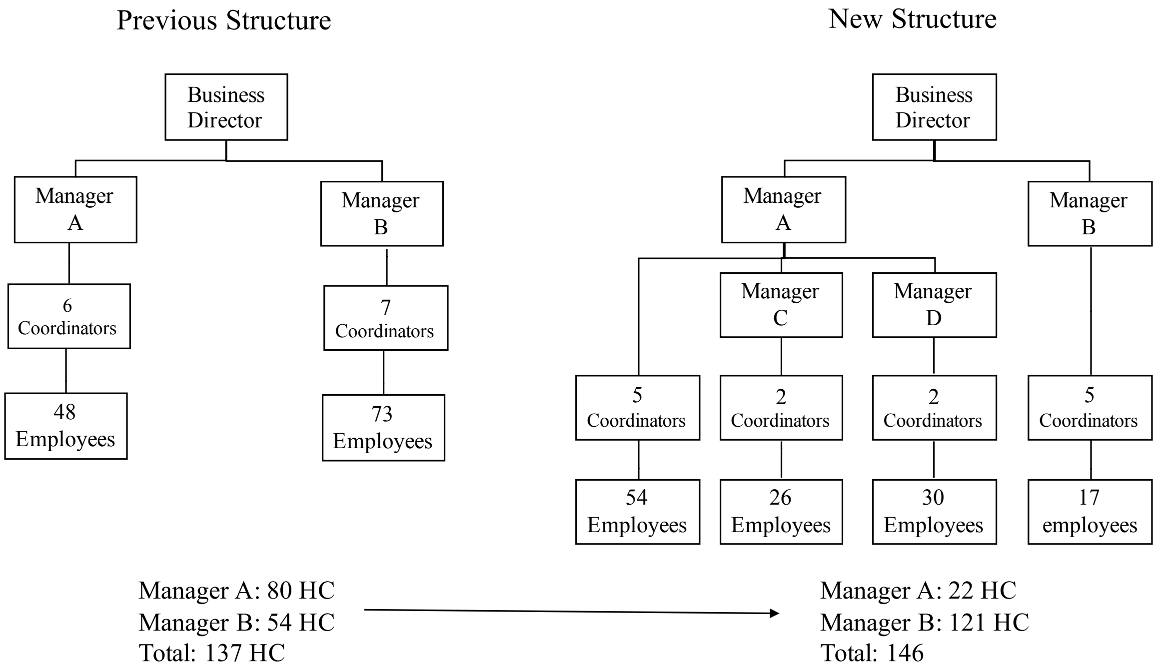

Figure 2: structure change

Position 1 in figure 3 illustrates the different dyads and triangulations that were happening inside Globosat client system by the time of the author arrival. Clients reported being stuck.

Interviewing the Business Director and both managers helped the author understand what was at stake for the three of them, what made them anxious, how they saw the project, and their thoughts about each other and other important stakeholders. It also gave the author access to the decisions the Business Director had in mind regarding the project implementation and resistance to change, and her opinions about each manager.

The author organized a first workshop with the three executives, the HR team and the other consultant to create a common agenda. It was a combination of directive and non-directive approaches: clarifying the project status, the role of leadership during change, defining expectations for the job, and establishing a project team charter that emphasized positive attitude, working in partnership, building a collective solution, being transparent (expressing feelings & thoughts) and communicating outside the team only what was agreed. An action plan was put in place to organize the content to be prepared by Managers A & B and HR (e.g. reasons to change, new operating model, structure, roles & responsibilities).

A series of meetings and short workshops took take place next where the author would meet with both managers after these meetings were concluded. Those individual meetings helped the coach/consultant get a perspective of how the managers were experiencing the change project, but also allowed them a voice and a safe space, talking about issues that they considered important, giving and receiving feedback, and addressing any emerging topics. It helped foster a trusting relationship. Position 2 in figure 3 illustrates the author's strategy to tackle the client system, working with Managers A & B in one set, and with the Business Director and HR in another set, taking into account the different interests, and later integrating all of them as showed in Position 3.

The three business area executives had different views about the structure and team allocation. At this point, the author served as a facilitating function, fostering dialogue, clarifying principles and intentions, and also helping the team come to a common decision. The final structure did not resemble any of the designs the individual parties had in mind, but expressed what was workable at that point. Position 3 in figure 3 illustrate the dynamics of the consultant working in conjunction with the group, not as a central part, but as an integrated facilitator with a distinct role to enhance the change process.

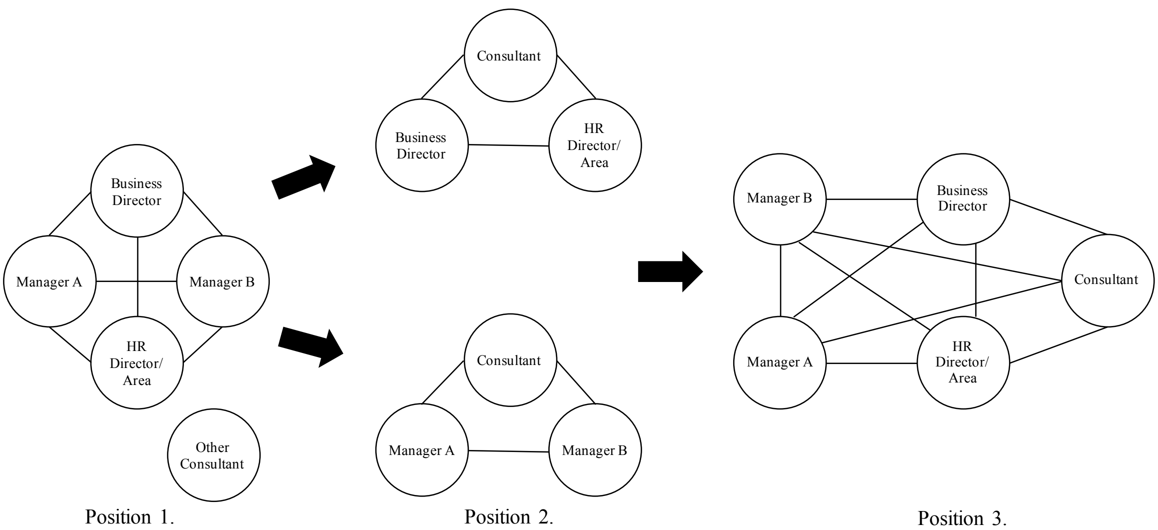

Figure 3: Consultant-client relationship

The project team (Managers A & B, Business Director & HR staff) decided to involve the two coordinators being promoted to managers and reporting to Manager B to work on the change plan. This part of the work consisted of detailing the new structure, deciding staff allocation, defining support to change, training, and communication actions. Managers A & B were concerned about opportunities for their loyal subordinates. Deciding on staff allocation became a sensitive moment, where the author helped to create some references for decision making and fostered giving voice to all concerns.

A two-day workshop with the project team and Managers C & D reviewed all the models and conceptual frameworks for the change and created impact maps coinciding with the structural and staff changes.

Person/Area	What changes?	Interests	Losses/Gains	Actions

Table 1: Impact Map

At the time, in conversations with the Business Director and the HR staff about how to support the change process, the HR Director proposed coaching for Managers A and B, the newly appointed Managers C & D, and a development program for the Coordinators.

There was a consensus that the author was the best fit to coach Managers A and B, leveraging the trusting relationship established with both managers and his deep knowledge of the change project. Managers C & D would be individually coached by Thomaz Meirelles, partner of the author at Artisan Consultoria. He was also given responsibility to provide group coaching and training with the Coordinators reporting to Managers B, C and D.

On the morning of the day before the communication announcement of the plan, Managers A & B had personal conversations with the Coordinators about their changing functions. In the afternoon, all Coordinators were called to briefed about the planned details, voice their concerns, clarify doubts and receive orientation on behavioral expectations. The meeting was led by the Business Director and Mangers A & B, with the author's support. Presenting the previous announcement for the Coordinators worked well as a rehearsal for the general announcement. The author gave feedback to both managers and worked with them in fine-tuning speech and presence.

The general announcement took place in an auditorium with 140 people and the HR staff. The expectations and emotions were very high. After a quick introduction, the Business Director left the presentation to Managers A & B. The author gave a short presentation on how to cope with change at the personal level.

Coaching and training were introduced to participants as tools that would be utilized to help transition and facilitate the change while serving an organizational purpose. Before starting the coaching relationships, both coaches explained to participants that the individual content would be kept strictly confidential, but that collective topics or issues considered important to the change process would be addressed with management or HR. This procedure was not written on paper but agreed to verbally by all individuals and groups.

Managers A and B had 12 individual coaching sessions with the author for a period of 10 months. Managers C and D had 12 individual coaching sessions with the author's partner during a period of 10 months. An extension of 6 sessions was approved for Manager B, and 4 sessions for Manager D. All the 14 Coordinators were divided in two groups and had 6 2-hour group coaching sessions each. An extension of 7 sessions was approved and there were two 2-

hour meetings with the two groups and the coach to exchange learnings (one after session 6 and at the end of the job). Coordinators also had 5 half-day training sessions that were conducted by Thomaz on topics such as situational leadership, effective feedback, emotional intelligence and team management. Figure 4 resumes the services rendered to the different clients.

Ronald Heifetz's Small Group Consultation Process (Parks, 2005) was used for the coordinators' group coaching. Participants brought their adaptive challenge to the group, who made systemic analysis of the situation and contributed with a wide range of solutions for implementation. The activity promoted intimacy and trust. Topics often addressed the difficulties of "working in the middle" (Oshry, 2007), handling the space between bosses and subordinates, the lack of authority and the pressure to perform.

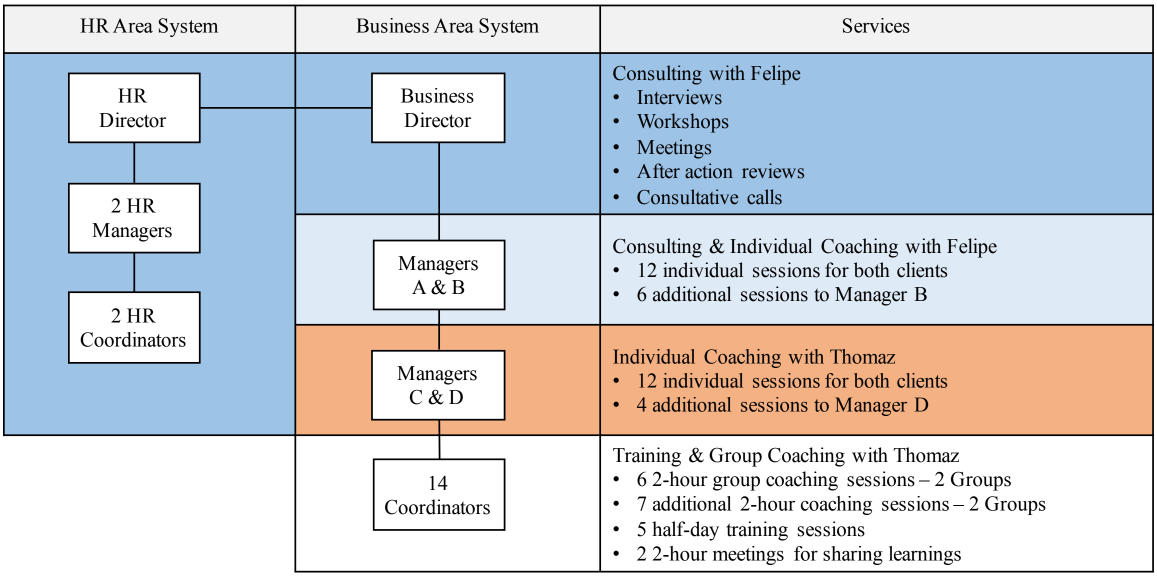

Figure 4: Multilevel services delivered at Globosat

Findings

The importance of context

OD consulting is a mix of science and art. While using methods and processes informed by theory that provides consistency, operating inside the client systems requires some form of art, adapting to the context.

Globosat's culture of informality and camaraderie created space for an intervention where the same consultant played different roles along the hierarchy and teams. The approach described in this paper may not work in more individualistic cultures, where competition is a value. It may not be as functional in contexts where key stakeholders are in deep conflict, have a high degree of suspicion, and no dialogue is in place.

Who is the client?

As a partner in a consulting boutique working in the OD field, experience has showed that, in Brazil, HR professionals, as individuals, are key commercial clients, despite their organization affiliation. The author has accompanied clients, servicing them to up to four different companies.

Globosat's HR area has a strong influence in choosing the OD consulting firms. Access to the Business Director only took place after the HR Director had a clear understanding of a possible approach to the job. The HR area dealt with technical and commercial aspects of the consulting proposal, although the investment was allocated in the business area budget. The HR Director and the Business Director were the contracting clients. Jointly, they owned the problem, defined the scope and controlled the budget for the project.

Having the contracting relationship mediated by HR, the author was caught in a potential trap: be biased by the HR perspective; having its image associated with the HR reputation; and not being as independent; but as an arm of the HR area. This was solved by showing independence and integrity during the course of engagement.

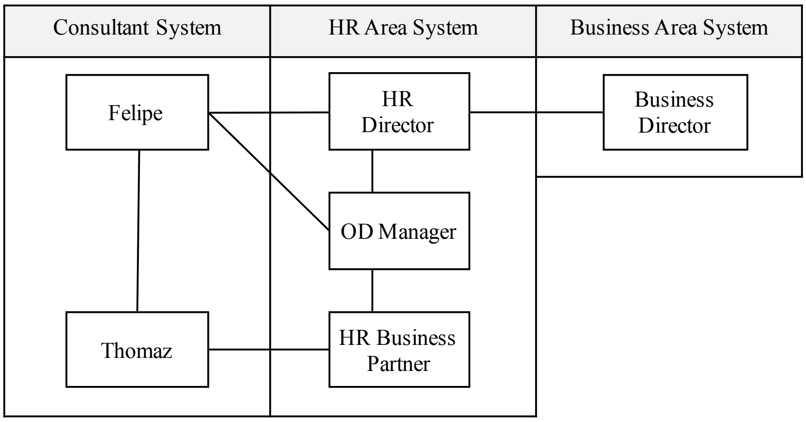

Figure 5: Globosat's commercial relationship

Clients served have a large influence in contracting clients. Managers A & B dissatisfaction with the previous consulting company led to hiring the author to facilitate change. This calls attention for the consultant to create a collaborative relationship with clients served, which may also grow into contracting clients in other contexts. Managers A & B surveyed their teams' satisfaction with the service. While budget belonged to the Business Area Director, support for extending into additional services was recommended by both managers.

Formal and informal contracting

No form of legal contract guarantees a productive relationship between consultants and clients. It heavily depends on the psychological contract built between all parties from contracting to termination of the consulting job.

The author believes a formal written contract with each person involved in the job may be impractical, and lead to feelings of distrust in informal cultures and may adversely impact collaboration and sharing of knowledge and information. The formal contract with the organization should be enough to define roles, responsibilities and commercial issues. The consultant may adopt specific contracting for each activity being carried if necessary, especially with in individual coaching.

Becoming a trusted resource

Consultants become a trusted resource for clients by demonstrating integrity and ethical behavior in what they say and do. Organization members test consultants to check for consistency.

> "I believed that you were neutral and was there to help when we openly discussed the impact maps. Most of the change had a positive impact, but some people were going to lose. Talking openly about it was something I never saw here. And that was important.

You have put the issues on the table and got us to discuss them and have a position. You showed integrity, a neutrality. It seemed we could trust you."

"If Thomaz was not a guy who laughed with us and showed emotions, it wouldn't work."

"I appreciated when you made honest comments about what was going on."

Self-management

Consultants influence and are influenced by the context of the client systems they enter. This requires continuous self-reflection, keeping personal opinion's to one's self, and not playing the expert role or give solutions to clients' problems.

Once, the author had a coaching session with Manager A just after a 2-hour meeting with the project team. During the coaching session, the author revealed a personal thought about the Business Director ("She is tough!) influenced by the previous activity.

When the same person is playing both consulting and coaching roles, with different types of activities in the same day, it becomes critical to create a space and time to gain perspective and self-fine-tune next interventions.

A less strict view of confidentiality

Under the principle of doing no harm, and as long as clients are aware of the limits of the disclosure protocols up front in the processes, a consultant doing coaching may point to some potential themes or topics that could help the organization advance. That would make the best use of resources for the benefit of the collectivity.

At Globosat, clients were highly concerned about revealing personal, individual information, but expected coaches to make a positive contribution from the background information they had.

Managers:

"If there was anything that would facilitate the process, for the benefit of the process, yes. For me, it would work as a positive confidentiality, without getting into the specifics."

"Somehow, I had this fantasy that my coach would speak well about me with HR and hierarchy. I never consider that he would do the opposite, pointing to something that would harm me. Only helping or doing a positive thing."

"If there was something you could have helped telling them, that would've been nice."

"If any information was to be used, I trusted it would've been used positively."

Coordinators:

"It would be great if Thomaz did that. Then the company would know what was going on here."

"Thomaz could have told things like "there is a problem with leadership", but couldn't tell specific things about us."

"I was praying that he would tell management about important issues."

Directors:

"I thought you would share things that HR could help. Nothing specific from my managers' personal content. Something we could act as an organization."

> "I didn't expect you to tell me what was going on during your coaching. But to give us a heads-up if there was something critical that we could act to make it happen."

Coaching individually peers that are disputing resources

Coaching individually peers that are disputing resources could be disturbing for one or both clients. In environments where competition is a value, or relationships are weak or troubled, having the same coach could create doubt and negatively affect the coaching relationship and job results and the viability of sharing information gleaned in the coaching process.

Coaching Managers A & B individually was possible because both had a long respectful and positive relationship, and came to trust the author during the consulting job.

Working individually with peers, a coach must be aware not to be trapped in a triangulation setting, carrying messages from one to another. Despite the breach of confidentiality, it would not allow clients to deal directly with their issues. In this case, working with different coaches may be more appropriate.

Coaching the bosses and the subordinates

In contexts where distrust, suspicion or conflict between bosses and subordinates exist, having the same coach may contribute to increase the problematic context. However, in a setting where individuals and groups feel part of the same journey, it may contribute to faster adaptation and integration. Coaching the Area Director prior and during the project would have amplified the impact of the job.

Manager:

> "It was a learning process. I realized that they needed space for their own reflection."

Coordinators:

> "The group coaching brought us together. We realized we were having similar problems with management. I was happy that my boss's coach was listening to what we were saying."

> "I was happy that our bosses were also doing coaching."

> "There was no problem that we had the same coach. During the process, we were sure that Thomaz was there for us. It was about us."

When working with different levels, organization members may regularly test the consultant conduct, checking for inconsistencies, breach of confidentiality or any reason not to trust. Coaches must make all the effort to mitigate this risk through self-management. Organizations that want to avoid this risk should consider having different coaches doing work apart.

Consistency and supervision

Working with four different levels, the two consultants had a systemic view of the interventions, which helped the consulting team design interventions and training programs appropriate for the moment to facilitate the change process.

Clients did not see any problem that the consulting team shared information between themselves:

> "The fact that my coach's boss doing coaching with my boss made all the difference. I was sure that things were being done with carefulness. I perceived that as I did not know what was going on with my subordinates coaching sessions, the same was happening with me."

> “I wondered what happened inside the consulting company. It did not impact my openness with my coach.”
>
> “It was natural that you guys would talk in your company. No problem.”

Guaranteeing consistency during an intervention is challenging. Different people have different mind models and approaches. Having one company doing all coaching jobs, in the context of a change project, allows for supervision. Using independent coaches would require hiring a supervisor and incurring in additional costs.

Conclusions and Recommendations

Coaching is a powerful element to support individuals and teams in times of transition. The context and organizational culture influence the adoption and characteristics of the services to be delivered to multilevel clients. It is an art more than science, requiring consultants to dedicate time to observe and interpret, and engage clients in building a possible solution.

Having the same company doing consulting and coaching allows for a systemic approach. Taylor-made interventions designed from a privileged point of view may help individuals and groups advance.

The consultants’ behavior during the consulting activities will determine their acceptance in the client system as coaches. Trust results from interactions with clients, checking and confirming the consultants’ intention and ethical behavior. A non-directive consulting approach make it possible for clients to own their problems, using collective dialogue and reflection.

More important than formal contracting, consultants must hold a meta-position of integrity and ethical behavior, showing ethical responsibilities for each part being serviced. On top of the formal general contract with the organization, consultants should establish informal contracts for each activity being carried. For example, defining confidentiality limits on the use of individual information before starting an interview with any organizational member. In litigation-driven countries or industries, should it be the case to have formal contracts for each activity being held?

The approach described in this paper was considered successful because all parts were committed to make it work. There are cases where interests are misaligned and strong resistance may occur, even with sabotage. Special attention should be given when selecting coaches to work for people disputing resources at the same level, or top-down relationships, where there is a clear imbalance of power.

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