

The difference between management consultancy and research-intervention. A report on a method, and a study of the advantages and drawbacks for researchers and companies.

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Abstract

From the case of a European research team, the major differences between consulting and intervention-research are identified: negotiating the contract, conducting the mission, academic publications. Intervention-research permits observing real management practices, thus it is a scientific methodology research. Moreover, research team activities are self-financing through its contracts with companies and organizations.

Key words: SEAM, intervention-research, management consulting.

A few management researchers in France are also consultants – and many in the United States. But most keep their consultancy work completely separate from their research. In academic management community jargon, consultancy means activities carried out in companies, at their service, generating profits, whereas research is synonymous with the production of publications, usually academic articles, generating academic recognition and fame – and to a lesser extent, promotion and extra income - a little in France, more in the United States. However, we have noted that some consultants enter research to obtain a doctorate and then continue as post-doctoral students.

The purpose of this article is to present and analyze an alternative way called intervention-research, or “scientific consultancy” practiced by a European management research team. We review the specificities of intervention-research vs. consultancy as a research method that is scientific in nature, clearly different from the practices of consultancy and action-research

and examine its benefits and limitations for companies and researchers. This article aims to analyze research practices rather than develop an academic theory.

The ISEOR research team was set up in 1975 in Lyon, France to apply the intervention-research concept, generate scientific knowledge about management and, simultaneously, help companies introduce change, improve performances and solve problems (Buono & Savall, 2007). To date over 500 researchers have worked on this team, more than 150 theses have been defended and several thousands of research reports, works, and articles have been published. This research model is rare and innovative, at least in Europe and in our discipline, but has not as yet been fully recognized.

After examining the specificities of the negotiation of an intervention-research contract with a company and comparing them with the negotiation of a consultancy mission, we address the characteristics of scientific consultancy and then clarify the articulation between intervention-research activities and publication. We conclude on the requirements of intervention-research and give details about the economic model used by research centers which opens new horizons at the moment when public research budgets are increasingly limited.

Intervention-research contract negotiation: a highly specific technique

Like consultants, intervener-researchers contact companies in several ways – canvassing, frequently by recommendations from past or present customers or, in the case of the ISEOR, an unsolicited call by a company to the research center.

After this initial contact, the negotiation of an intervention-research contract is a long process which determines the success of the intervention itself. To define success, we initially propose to consider that a successful intervention-research has achieved two sets of goals:

- the goals pursued by the company and formalized during the negotiation phase;
- the goals pursued by the researcher, i.e. changes in the company, improvement of its economic and social performances - but also new scientific knowledge.

These two goal sets precisely summarize the definition of intervention-research (David, 2000; Moisdon, 1984; Plane, 2000; Savall, 2010; Savall & Zardet, 1996).

Specificities of the negotiation process

The negotiation of an intervention-research contract is a process which comprises specificities, the most important of which are:

A successive iteration process: at least three to four meetings with the initial contacts (called introducers), then with the decider-payer, i.e. the person empowered to sign and pay the

intervention-research contract. The negotiation process takes at least four months whatever the size of the company and 6 to 12 months in the cases of complex negotiations. Negotiation quality is a success factor in scientific consultancy, as it is during this phase that mission contents and methods are precisely defined and the degree of management's commitment to change tested. On the opposite, rare cases exist where a quicker negotiation process led to failure, i.e. refusal to sign the contract or interruption after the mission had begun.

The negotiation *listening phase is very important*: intervention-research negotiations begin with one to two hour “listening meeting” during which we listen to the "introducer" who called in the researchers before we discuss an offer of service, a method of intervention and costs. Strangely enough CEOs, for example, talk very openly during this first contact and provide information and opinions that they would probably not voice subsequently. This listening meeting, in addition to the fact that CEOs express problems to an “unknown” third party, also reveals expectations and challenges which later become intervention-research objectives. Usually all the problems evoked are challenges, strategic objectives and goals for the company expressed in the natural vocabulary of the interlocutor. For example, the CEO of a small building finishing company explained during this first interview that he was in very precarious economic situation as his associates and president did not fully assume their responsibilities and that his objective was to consolidate the role of the managerial staff and redefine his associates' roles in the company.

About fifteen days after the "listening meeting", we present an intervention-research project to our initial interlocutor to *produce a “mirror effect”*. In fact the project is formulated as a product-objectives/product-methods/product-services triptych (see §1.2 below), the intervention-research project perhaps addressing services (or intangible products) formulated in terms of goals to attain, or methods developed to achieve these goals, or services implemented to enable the adoption of these methods. Product-objectives are formulated starting from the problems expressed in the first "listening meeting" with the CEO, "mirroring" his statements. This intervention-research project does not even have an indicative *price tag* to avoid any form of bargaining about the contents of the project and this despite any pressure from the partner company CEO.

A third - and even fourth - meeting finally makes it possible to agree an adapted and validated intervention-research mission with the CEO, with a provisional budget. If this estimate is much higher than the company can afford, an additional iteration scales down the mission.

The negotiation of methodological specifications

The intervention-research project is presented in a three tier structure:

- *product-objectives*: the objectives the corporate partner hopes to attain through scientific consultancy, generally formulated in terms of *improvements* to profitability, effectiveness, cohesion, and strategic pro-activity...
- *product-methods*: methodological specificities proposed to achieve the predefined goals using the scientific expertise of the intervention-research team;
- *product-services*: interventions by the research team inside the company and at the center. These services are time-consuming and must be calculated to estimate a budget.

The contents of each mission and each company are different but always include *non-negotiable elements* which it is advisable to explain and justify to the corporate partner. In the event of refusal, the negotiation stops and the mission will not take place. This is a vital difference between intervention-research and classic consultancy, in which, usually, the consultant adopts the request and expectations of the customer to conserve the mission - and the fees. Here are two examples of negotiations that were interrupted because of these non-negotiable elements.

Case 1. An industrial company with approximately 300 employees, a subsidiary of a major international group, contacted our research team, because it had recently introduced ERP and a “lean management” approach. Corporate HQ required it to improve its productivity and reduce occupational accidents. The CEO reviewed the current organization of the industrial facility and his strategic planning for the two years to come during an initial 90 minute “listening meeting”. A few days later he called the intervention-research team to say that he did not want them to include the production sector as it had already been impacted by frequent changes in recent years and required us to restrict our research to the support services. Considering that the productivity and occupational accidents performance improvement objectives could not be attained *without changes in the production sector* and after discussions with the CEO, the intervention-research team decided to cancel the project.

Case 2. A major medico-social association, with 900 employees, called in the intervention-research team to introduce change, required in a tougher economic climate. The objective was to develop the managerial role and pilot the 80 managers in making changes. The human resources director – our contact – wanted *management training for the managers*. However, the intervener-researchers knew by experience that training alone could not achieve the goal and that a more thorough approach to change introduction, not only of executives but the whole training personnel was necessary. The intervention-research team refused this mission - and the \$214,000 fee.

To conclude, intervener-researchers stop intervention-research missions if they believe they will fail, i.e. when they know in advance that the product-methods and product-services requested by companies will not achieve the goals they themselves have set.

Running an intervention-research mission

Scientific consultancy is an *in vivo* research methodology which proposes to generate knowledge by transforming the object studied. This parallels clinical research methods in medicine, in which medical researchers care for patients and, by observing the effects of the therapeutic protocols deployed, formulate conclusions and publish their results in science magazines. Medical researchers thus simultaneously conduct diagnosis-regulation-evaluation processes on the patients in their care and research which aims to produce results replicable on other patients (Kwesiga & Pattie, 2006).

Scientific consultancy is a longitudinal research method, i.e. which observes and analyses a given company over a long period of time. An intervention-research mission effectively lasts from one year to several decades in the case of long-term corporate partnerships. Intervention-research missions induce and manage change in companies and simultaneously pursue two goals to:

- bring new knowledge to the researchers, both with regard to initial diagnosis of situations, “remedies” and their effectiveness. This new knowledge makes it possible to deduce descriptive, explanatory and prescriptive assumptions.
- accompany the company in planned change so that it achieves its goals better (for example to improve profitability, bring off a managerial plan, facilitate a merger-acquisition, turn the company round to prevent its short-term disappearance...). To put it another way, cure the “patient” or, *at the very least*, improve his/her health, generating internal dynamics in the company (Coghlan & Brannick, 2005).

The difficulty in intervention-research is to keep both objectives on the same level – i.e. to ensure that the time spent on research (the acquisition of knowledge) is not separate from the time spent caring for the patient. From a cognitive point of view, the two activities are simultaneous - better knowledge and understanding make it possible to help everyone involved to define and apply adapted care protocols better.

Leading an intervention-research team

Unlike consultants who often intervene alone, intervention-research missions are carried out by teams. The reason is to achieve several objectives:

- Firstly, intervention-research is an apprenticeship for young researchers. An intervention-research team has members with different skill sets and levels of qualification from the most experienced (10% of the time spent on scientific consultancy), to the least (60%) and senior investigators (30%).
- Scientific consultancy, whatever the size of the company concerned, takes place at a fast pace. When several researchers intervene simultaneously in the same company, in different sectors, the pace of scientific consultancy can be very rapid indeed. *But there is a fundamental difference in the way companies and researchers think of time.*
- Team work enables comparisons of *different views, interpretations and analyses*, as scientific consultancy plunges researchers into the very heart of a corporate entity with the risk of losing the cognitive and emotional distance needed for interpreting and decoding the discourses and practices of everyone involved (Boje, Rosile, 2003). Interactions between the field and the research center and weekly team meetings “depollute” researchers by enabling them to confront their information and their points of view with other members to improve the decoding of the situations observed. *Cognitive interactivity* and *contradictory intersubjectivity* contribute to scientific consultancy, as do basic epistemological and fundamental principles by facilitating detachment and replacing the illusory objectivity of the researcher (Savall & Zardet, 1996, 2004, 2011).

The generation of knowledge

One of the challenges of longitudinal research is the traceability of the results. Indeed, to generate knowledge that can be published later requires rigorous and homogeneous work protocols between researchers concerning the quality and exhaustiveness of note-taking during the many in-company working sessions, the production of documents intended for the company for intermediate exploitation by intervener-researchers and the collection of documents produced by the company itself.

Collective team work by the investigators implies taking great care when collecting information and archiving it in a structured way accessible to every team member. In addition, if the research is cumulative, following the example of researchers in medicine who must accumulate a certain number of observations on different patients before being able to claim the validation of new knowledge, it is advisable to develop work methods common to different intervention-research missions. For example, the ISEOR team stabilized a replicable methodology in the 1980s to carry out socio-economic diagnoses of companies or organizations. This means that today our knowledge base contains over 1,300 diagnoses. Starting from semi-directive interviews led according to a shared interview guide, this method consists in extracting field note quotes, classifying them by themes and sub-themes, then formulating generic key ideas illustrated by the field note quotes.

The key ideas, classified in themes and sub-themes, are capitalized in an expert software system built up since 1988. Transversal, thematic and even by-sector analyses can thus be made *a posteriori* thanks to this material obtained using homogeneous protocols. For example, we recently wrote an article on the appearance of the “TFW (Taylorism-Fayolism-Weberism) virus” (Savall, 2016; Savall & Zardet, 2014) in 36 medico-social establishments, based on the transversal exploitation of 36 diagnoses made by different researchers on the team.

Introducing change

By definition, every intervention-research mission inside a company is a set of activities aiming to help the company introduce and then consolidate change. These activities require skills relatively different from those of researchers/analysts/authors. Indeed, they must deploy an *energy of change* (Lacey & Tompkins, 2007), help convert theories into actions and, to do this, develop a relationship of trust with everyone in the company - from the CEO to the humblest employee.

Researchers plunged into the organization must, for this reason, express themselves simply, as partners respectful of the people they are talking to. But, simultaneously, introducing change requires firmness by the researchers to ensure respect or, if necessary, concerted adaptation of the initially agreed methodological specifications. For example, corporate managers sometimes need to be reminded and have the principles of the composition of a task force or the interview methodology used in socio-economic diagnoses, which appear explicitly in the initial specifications, re-explained to limit inopportune pseudo-innovations in methods likely to have a negative impact on intervention-research quality.

A commercial relationship

An intervention-research contract is also a commercial relationship: the services provided are charged for. The vocation of the intervention-research team must not weaken this relationship. On the contrary, ensuring that the financial clauses of the contract are respected is key to establishing a balanced partnership between the company and the research team. To guarantee the researchers' independence no intervention-research mission starts until the initial down-payment has been paid in full. Every month it is important to check that invoices have effectively been paid; in the event of non-payment, this question is explicitly discussed at a meeting with the corporate partner. If the company has financial problems, new due dates can be negotiated but if it seems that the company does not intend to honor its commitments, services

are cancelled. Intervention-research contracts finance intervention-research centers and, in particular, pay the investigators. It is an alternative to State funding and the still widespread idea that research should be free for businesses as financed by taxes.

Publications

In the academic universe, researchers become known and recognized through their publications. So the question is how to alternate between the intervention-research mission and writing up the research for publication. There are many difficulties. First of all, the rhythm and duration of an intervention-research mission are very different from those of a publication. Researchers then have to identify problems likely to interest collective publications from an academic point of view. And then, of course, the company or organization under investigation must agree to the publication of the findings.

The rhythms of scientific consultancy and publication

Intervention-research missions consume a lot of time and human energy. Publications have deadlines which must be respected, in particular when they are proceedings of congresses. Publication requires careful planning of the time devoted to writing, more especially if articles result from a team effort by at least two researchers as it is most often the case.

Identify the problems and write in a team

Intervention-research missions involve examining a wide range of problems observed in the field, all of which could be the subject of several different and original publications. Nobre (2006) highlighted this phenomenon by stating that the problems evoked when initiating a mission are only the visible tip of the iceberg. After working in a company for several months, a wide range of new problems emerge, likely to lead to analyses supported by longitudinal observations. The difficulty lies in extracting generic problems from specific cases. This can be surmounted by the method which consists in analyzing the contents of materials resulting from the mission and comparing them with what already exists in the literature. Compiling intervention-research cases in a knowledge base constitutes an inexhaustible resource for validating results from a single case by comparison with a bigger sample. Intervention-research team members can thus produce transversal publications, subjective and quantitative analyses and monographs relating to cases with high subjective input. The essential condition is to define ethical rules for the use of intervention-research materials. This is to ensure that while some researchers expend their energy on intervention-research, others, more comfortably, write publications based on the materials accumulated by the investigators. Rules of equity must be elaborated, for example the fact that no researcher can access the materials of a mission without

having inserted original material into the collective knowledge base. The principle is pay in/take out. The time, effort, tiredness and personal investment in an intervention-research mission are thus doubly recompensed. In addition to being paid for their time, researchers can access team-produced materials enabling the production of a thesis, a paper, an article or a book – a significant advantage in the academic world.

Authorization by the client to publish

Unlike consultants who have singular and *a priori* confidential relationships with their clients, intervener-researchers explain their statute during the intervention-research contract negotiation phase. The company thus knows that the investigators will publish results based on the client's case. Contractually, the researchers always undertake to use the results *anonymously*, without mentioning the name of the company. If this were not the case, the information obtained would be skewed, in particular in sensitive areas such as corporate strategy and other confidential data. The guarantee of anonymity facilitates the extraction by the researcher of more authentic information, an important guarantee of the scientific quality of publications. Methods nevertheless exist to enable checking by in-house corporate experts of accuracy of the results published. For example, a director of the client is systematically invited to take part in the deliberations of the jury judging the validity of a PhD thesis.

Publication by the company

The presentation of results that are not anonymous is nevertheless possible when the management agrees to have the results of their intervention-research presented in events open to the public, such as professional or mixed academic and professional conferences. Oral presentations of the results by a CEO can be written up and then submitted to the CEO for validation before publishing, which constitutes a non-anonymous public source for the results that can subsequently be used both by the researcher and by the company.

Discussion and analysis

“Scientific consultancy” is an intervention-research technique. It contradicts the generally accepted idea that consultancy *follows* research, just as many people believe that applied research *follows* pure research. The practice of scientific consultancy is an invitation to continuously explore new, scientifically relevant and credible sectors, businesses, statutes, contexts, countries and problems from a societal viewpoint.

For a company or organization, what is the difference between using a consultant and an intervention-research team?

In the eyes of the company, consultants are service providers who must “obey” their clients. One of the challenges when an intervention-research team intervenes in a company is to transform this traditional customer/supplier relationship into a *balanced partnership*. Intervention-research teams become real partners as transparency increases between the parties involved. Sometimes the company requests opinions and even advice from intervention-research teams, calling on their scientific expertise before making decisions in areas covered by the research. Shared transparency also means that clients forward strategic internal documents to the intervention-research team, contributing to improving the quality of the research. To illustrate this partnership relationship, we will take as an example a company with which the ISEOR team has been working for 10 years. Recently, our intervener-researchers had to explain to the CEO that it seemed preferable to stop the intervention-research process as our services had very low effectiveness due to the behavior of some members of the company's management team. This decision surprised the chairman, but made him aware of professional disloyalty and resistance to change by his closest collaborators. By proposing to break the contract, the researcher risked losing the remainder of the \$100,000 fee which was needed to balance the research team's annual budget.

What is the difference for intervener- researchers?

Scientific consultancy addresses sets of research topics useful for companies. The social utility of research is better guaranteed by intervention-research. Another difference compared to other researchers is the satisfaction felt when observing how companies and organizations succeed in improving their practices and social and economic performances by applying new knowledge resulting from the research mission. One of the main difficulties consists in the "must" shift from one universe to another, from one language to another... Abstruse language is neither understood nor accepted in companies, just as pragmatic language is not tolerated in academic publications - probably truer in Europe than in America. Researchers reporting intervention-research cases are immediately accused of consultancy and excluded from the academic community, very often damaging their reputations and harming their university careers.

What economic model should an intervention-research team adopt?

An intervention-research team is financed by its research contracts, with rates similar to those practiced in the consultancy market although it has a triple vocation: scientific intervention,

research and the communication of results for training and academic publications. Intervention-research missions finance non-profit activities such as publications, academic exchanges and team management.

The first consequence of this economic model is that an intervention-research center must, just like any other business, continuously sell or renew intervention-research and training contracts to generate income to pay for non-profit activities.

The second consequence is that sufficient income is needed year after year. Financial resources are essential, not only to carry out intervention research but also to invest in the design and introduction of new research programs and finance valorization activities such as academic publications, general communications, the organization of academic and professional international symposiums, etc.

As an illustration, the economic model of the ISEOR team breaks down as follows: Our annual resources of 2.5 million € (\$3.5 million) come from intervention-research sales to about twenty companies and organizations. These resources cover the overheads of administrative, technical, accounting and data processing staff, as well as the intervention-research team made up of eight doctoral students, recruited for three years to prepare their doctorate, sixteen doctors considered as seniors or experts, and *doctoral students* not paid for by the team budget, but *financing the preparation of their theses through jobs or doctoral scholarships*.

The time spent on the main activity families in 2011 is summarized in table 1 below. 29% of intervention-research time financed, in addition to time spent on in-house management, valorization missions (conference organization, preparation of conference proceedings) and writing. In 2011, writing activities produced 6 doctoral theses, 6 articles published in reviews, 45 articles in congresses and 4 books.

Table 1
Distribution of the Time the Research Team Spent on Different Activities

Activities families	Time spent (days)	% of total time (all staff categories included)
Intervention-researches	1,680	29%
Negotiating Contracts	460	8%
Publications (articles, papers, chapters, books, doctoral thesis...)	940	16%

Research team management and intervener-researchers training	1,160	20%
Internal missions: organization of conferences, proceedings editing and publishing	1,100	19%
Research and development (improving intervention research methodology)	460	8%
Total	5,800	100%

This economic model proves that *research can be self-financing*, in particular for doctoral students preparing their theses, while at the same time training them for interventions and change management, making it possible to develop the researchers' consultancy skills so they can choose to orient their careers differently. It is an alternative solution to face up to reductions in public research financing, but requires leadership, management and corporate research management skills. It also strengthens team work, too rare occurrence in management and other social sciences.

Conclusion

This article intends to show that intervention-research is a way to approach reality in corporate universes and a methodology for management sciences. Usually due to ignorance, intervention-research is considered to be consultancy in that it aims to improve corporate practices and obtain budgets to finance research valorization activities.

The main discriminating factors between intervention-research and consultancy are scientific rigor and the progressiveness of the negotiation process, the negotiation of methodological specifications that are subsequently strictly respected, a team using “tracked” methodologies so that research is “cumulative” and finally, systematic doctoral and post-doctoral publications. An intervention-research team functions like a *research company* which must provide for its financing by the permanent negotiation of new funds to cover the pay of technical, administrative, doctoral and post-doctoral employees, overheads and also the costs of R&D activities and publications.

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