Bridge over Troubled Water

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Two questions are addressed in this paper: (1) can the bridge between academic work and consulting be maintained over a long period of time? and (2) what conditions facilitate such a bridge? In dealing with these two questions, a distinction is made between the expert consultant and the process consultant. Their respective behaviour in relation to the two research questions is analysed in terms of two variables: research orientation and concentration. In the empirical sections, two Swedish professors -- Oskar Sillén and Eric Rhenman -- are used as examples of the two types of consultants. The comparative analysis leads to the conclusion that the expert consultant (Sillén) was to a much larger extent able to maintain the combination of academic work and consulting than the process consultant (Rhenman). This seems to have been a result of the possibilities of the expert consultant to safeguard, and even strengthen his comparative advantage, through academic work. As regards the process consultant, on the other hand, academic work eventually had the effect of making his unique competence common knowledge. In addition, competitors created pressure on the process consultant to behave like others in the industry.

1. Introduction

It is not uncommon for management scholars to make critical remarks on the work of consultants (cf. e.g. Czarniawska-Jörges, 1989). It also happens that consultants and practitioners express similar attitudes towards management researchers. Needless to say, this mutual irreverence creates problems for the development and diffusion of management research, since the ultimate test of the usefulness of management studies is their appropriateness for understanding and interpreting reality. This is why it is so important to find appropriate links between the academic world and practice. As a travesty of a popular song from 1970 by Paul Simon, there is thus a need for "a bridge over troubled water". Such a bridge is explicitly manifested by university professors who combine academic research and consulting.¹ Through this arrangement, they play "liaison roles" (Galbraith, 1973 and 1977) and act as "linking pins" (Likert, 1961) between the academic world and practice. They promote the diffusion of management research results and management graduates, and bring practical management problems to the attention of management research. With the academic world as their base, they communicate with their counterparts in this world through seminars, academic journals, etc. Simultaneously, they also interact with the non-academic world through direct exchanges, popular writing, etc.

¹For a discussion of this issue within the economics profession, cf. Jonung (1992) and Stigler (1982).
Those who work in this way frequently argue that the ideal situation is a combination of consulting and research (cf. Schein 1970 and 1988; Rhenman, 1973b; Greiner & Metzger, 1983; Gummesson, 1985). Gummesson, for instance, maintains that the consultant role contributes to a more profound analysis in business studies. He even suggests that if more researchers also acted as consultants, then research of superior quality would be produced (Gummesson, 1985, p. 7). Lind & Rhenman (1989, p. 167) report on their observation that a “real theoretical breakthrough [seems] to come out of in-depth consultative work with a few organizations, or often best of all with one.”

The purpose of the present paper is to elaborate on the relationship between research and consulting. Our perspective differs from that of the above authors in the sense that we are not -- as they are -- insiders in the consulting profession. In particular, we would like to address two questions:

(1) Can the bridge between academic work and consulting be maintained over a long period of time?

(2) What conditions facilitate such a bridge?

When examining these two questions, we found it appropriate, following Greiner & Metzger (1983) and Gummesson (1985), to distinguish between two basic types of consultants: expert and process consultants. There seems to be good reason to believe that these two different modes of working have important effects on the possibilities of acting as a bridge between theory and practice.

According to Gummesson (1985), expert consultants provide advice on particular issues. They also correspond closely to what Greiner & Metzger (1983) call "content consultants", i.e., consultants who take direct action, and "standard consultants" who are “more concerned about passing on [their] knowledge”, as discussed by Schein (1988, p. 194).

Process consultants, on the other hand, are characterised by their working in a clinical or psychoanalytic mode, with the intention of leading their clients through a process of self-
examination and self-healing (Gummesson, 1985, pp. 20-21) "where the consultant asks penetrating questions without giving a personal evaluation or offering solutions".2

We pursue this dichotomy by presenting and analysing Swedish case studies on the two types of consultants. The expert consultant is represented by Oskar Sillen (1883-1965), who was professor of business administration at the Stockholm School of Economics (SSE) for almost 40 years (1912-1951) and who simultaneously served as an adviser to a large number of Swedish corporations and public authorities. His first appointment at SSE was initially combined with part-time work in a consulting organisation and he later became the founding father of the Swedish auditing profession. The process consultant is exemplified by Eric Rhenman (1932-1993), who held various positions in business administration at Lund University since 1965. In the mid-sixties he set up a consulting organisation known as the Swedish Institute (later Scandinavian Institutes of Administrative Research (SIAR)). According to Argyris & Schön (1978, p. 225), SIAR is “one of Europe’s leading research-consulting organizations with a world-wide multinational organization [and] one of the few that is highly sophisticated in conducting organizational diagnosis to assess, and in designing intervention activities to enhance organizational learning, especially of the double-loop variety.”4

These two case studies are to some extent based on the published work of the consultants in question. The first case also relies on archive studies presented earlier in

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2Cf. also Schein (1988, p. 11) who describes process consulting as "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 as defined by the client".

3Another example of a Swedish process consultant is Holger Bohlin, born in 1921. He graduated from the Stockholm School of Economics in 1946, taught at the Royal Institute of Technology until 1951, was head of the Research Institute of the Shoe Industry 1950-55, Deputy Manager and Board Member of Ekonomisk företagsledning 1956-59, President of the Swedish MTM-Society 1955-65 and worked in his own consulting firm, Bohlin & Strömborg 1960-69. Bohlin was appointed to a chair in industrial administration at Chalmers Institute of Technology in 1969, while also remaining as Chairman of the Board of Bohlin & Strömborg until 1972. In 1971 he was one of the founders of Indevo, where he was Chairman of the Board 1971-1974. Indevo, now merged with Proudfoot, was about twice the size of SIAR (Affärsvärldens konsultguide 1992, pp. 8-9).

4They also point out that SIAR “unlike many consulting finns, [...] does have a theory; it makes it explicit: and it designs its recommendations and actions on the basis of the theory." (ibid., p. 228).
Wallerstedt (1988). The second case was supplemented by interviews with about twenty people affiliated with or related to SIAR in various ways.

The framework used to analyse the two case studies is outlined in Section 2. It focuses on two dimensions: research orientation and concentration. The differences in terms of these characteristics observed in the case studies provide the basis for conclusions in a final section of the paper.

2. Research Orientation and Concentration

According to Greiner & Metzger (1983, p. 7), management consulting is an “advisory service contracted for and provided to organizations by specially trained and qualified persons who assist, in an objective and independent manner, the client organization to identify management problems, analyze such problems, recommend solutions to these problems, and help, when requested, in the implementation of solutions”. These authors also point out that management consulting is not a product that can simply be packaged and sold at a fixed price, but rather a matter of incorporating the intellect of consultants into internal Company processes. There is thus a myriad of consultant types and roles for them to perform. Just as the field of medicine has its general practitioners and plastic surgeons, so does management consulting (ibid., p. 18).5

The basic types of consultants, expert and process, contain considerable variation (Greiner & Metzger, 1983). The dimensions focussed on in the analysis of our research problem, i.e., research orientation and concentration, refer to the extent to which the consultant maintains a relationship with the scientific community and restricts his work to certain specific fields, respectively.

Based on the observation that scientific work has to be considered as a social activity (cf. Kuhn, 1962), Whitley (1984 a, b) has pointed out that the degree of mutual dependence (technical and strategic) among scientists is important for the organisation of a scientific field.

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5 This metaphor of comparing consultants to medical doctors is not uncommon. Cf. for instance Schein (1988, p. 192): “The process consultant often operates in organizations in much the same way as a general practitioner does in medicine; he is, in a sense, an organizational internist and often an organizational psychiatrist.”
In Whitley’s analysis the field in focus here, management studies, scored low regarding such dependence, and was the antithesis of physics, which received a high score.

Thus, in dealing with research orientation, we should consider it in a relative sense, i.e., in relation to the management field, and not to other fields such as physics. The management field is also characterized by variations in scientific orientation. In dealing with academic consultants, for example, Czarniawska-Joerges et al. (1990) made a distinction between two extreme types. The first, purists, is comprised of “pure” academics, who carry out research and teach because of a dedication to knowledge or a conviction of its importance for the evolution of society, regardless of whether or not they are paid for it (cf. also Czarniawska-Joerges, 1988). In contrast, sophists represent an archetype resembling the ancient Greek philosophers who would defend any argument for the sake of profit or some other benefit. However, such extreme types are not very useful for our purposes here and we have simply chosen to discuss research orientation on a scale reflecting factors such as academic affiliation and scientific publications.

The second dimension for our analysis, concentration, is related to Whitley’s (1984a) analysis of the concept of task uncertainty, i.e., uncertainty concerning research problems and methods. In scientific fields where this uncertainty is low, for instance physics, the variation regarding research problems and methodology is small, and vice versa. Again, management studies constitute an antithesis to physics. In other words, the degree of concentration in management studies can be expected to be comparatively low.

Of course, we may also expect variations within this dimension. Greiner & Metzger (1983) distinguish between two major categories (or types) of consultants exhibiting different degrees of concentration: generalists and specialists. The first category is characterised by a general and broad approach, sometimes combining a number of different specialities. The second category, on the other hand, is characterised by concentration in an area where the consultant has developed solid competence. As in the case of research orientation, we use a scale, where the indicator for concentration is mainly the number of fields in the management area which are covered by the consultant.
Combining the two dimensions, we obtain the diagram shown in Figure 1. Although basically focussing on the scores on the two dimensions, the figure may also be used to integrate the thinking of Czamiawska-Joerges et al. (1990) and Greiner & Metzger (1983). It thus provides us with four extreme types of consultants: the specialised sophist (north-west corner), the specialised purist (north-east corner), the general purist (south-east corner) and the general sophist (south-west corner).

Figure 1. Research Orientation and Concentration in Consulting

3. The Expert Consultant

3.1. Background
Oskar Sillen, born in Uppsala, Sweden, in 1883 is no doubt one of the founding fathers of modern Swedish business administration. He was the first Swedish professor at the Stockholm School of Economics (SSE), founded in 1909, preceded only by a German, Ernst Walb, for two years. Sillen may also be regarded as a model in terms of the bridge between academic research and consulting. He did not accept the appointment at SSE until he had also received an offer to lead a consulting organisation (the newly founded Industrial Office of the Federation of Swedish Industries). The primary reason for this was not to link the academic
world and practice, but rather to provide Sillen with adequate remuneration. For about five years after his graduation from the Städtische Handels-Hochschule in Cologne, he had worked in executive positions, mainly for a Swedish Company in Germany. His academic experience at the time of recruitment was therefore not impressive; it was limited to two and a half years of studies in Cologne. The ultimate reason for Sillén’s appointment at SSE was his substantial practical experience.

3.2. Head of the Industrial Office

The need for organisational consulting in Sweden around the turn of the century was thus to a certain extent met by the Industrial Office where Sillen worked half-time as a consultant, parallel with his professorship. This arrangement obviously gave Sillen excellent opportunities to encounter all kinds of problems in Swedish industry. Private and public clients turned to the Office for advice regarding bookkeeping, organization, auditing and valuation principles. The Office immediately acquired a large number of clients. As a result, Sillen could not manage the Industrial Office all by himself and expanded the staff. In response to the problems at the time, a number of new departments were created. The Technical Department was founded in 1914, the Department of Transportation in 1918 and the Department of Factory Organisation in 1921.

As the only associate professor (docent) of business at SSE, Sillen lectured in many fields that could be regarded as belonging to the subject. He was clearly influenced by the German approach in deciding what these fields were. Sillén’s publications were on topics closely related to his consulting work at the Industrial Office and to his teaching at SSE. The most vital idea that he stressed at the beginning of his career, as both a consultant and a professor, was the importance of cost calculations. According to Sillen, Swedish manufacturers neglected these calculations because they believed that price decisions were beyond their control. He was also very eager to emphasise the advantages of new technical facilities of the time: mechanical calculating machines, card systems, loose-leaf notebooks to be used in book-keeping and different methods of duplication. His ideas were published in a number of publications (Sillen, 1912, 1913 a,b and 1915). They made a valuable contribution
to the Swedish literature in the field, which was rather meagre at the time. These publications made him competent for the professorship in 1915.

A common feature of Sillén’s publications was their concentration on practical matters. They not only dealt with problems that were highly relevant when the Swedish industrialisation process had just started, but were also very normative. As Sillen had acquired his scientific and practical training in Germany, it is not surprising that the inspiration for his publications came mainly from that country.

It is natural that Sillén’s work cannot be judged according to today’s scientific standards. However, it no doubt met the standards of the time. From an analysis of Sillén’s studies at the Städtische Handels-Hochschule in Cologne, we know that there were hardly any theoretical discussions in economics and business administration. Instead, the aim of the literature was to inform industry about relevant knowledge within the field. It was also rather clear that industrialists expected a professor in business administration to assist industry with practical knowledge. And this is what Sillen did!

Some reorientation in his interests occurred in the early 1920s when Sillen made a study trip to the United States. He visited universities, business schools, banks and companies all over America. What he saw impressed him, and his later work both inside and outside of SSE evidenced the inspiration he gained from this trip. In terms of research orientation, his initiative to start a Research Institute modelled on those at Harvard University and Northwestern University was particularly important. After his trip to the United States, he also tended to stress the need for teaching in the behavioural sciences at SSE.6

3.3. Creating a Swedish Auditing Profession

The year Sillén became head of the Industrial Office (1912), the Stockholm Chamber of Commerce authorized him and five others as public accountants. They were the first six accountants to become authorized, and were therefore the frontrunners of the Swedish auditing profession. As a result, from the time the Industrial Office was set up, Sillen worked

in **auditing** on a professional basis. In subsequent years, these activities gradually expanded and Sillen was increasingly engaged in **auditing** and related issues. He was the auditor at AB Sveriges *Litografiska Tryckerier*, for instance, ever since the Company started in 1913. He was thus able to follow the company’s development at different periods in its lifetime. He regularly **visited** the company’s subsidiaries all over Sweden and kept in close contact with the various managers. Throughout the years, quite an impressive number of large Swedish companies sought his services.

Sillen soon became a highly respected and well-known representative of auditors in Sweden as well as the other Nordic countries. In 1923 he founded the **Authorized Public Accountants’ Association** (FAR), of which he was chairman until 1941.

Sillen also developed contacts with significant companies. In the beginning of the 1930s, Sillén’s most important client outside of SSE was one of the Swedish commercial banks, *Svenska Handelsbanken*. Many Swedish banks faced serious difficulties during the period 1918-1923 as a result of their inability to evaluate the future prospects of Swedish companies. Credits granted by Svenska Handelsbanken to Swedish industry against collateral in shares had expanded very rapidly during the war. In the years 1919-1923, Sillen therefore wrote several reports on the companies in which the bank had economic interests. He examined the relevance of their balance sheets and estimated the value of the companies’ properties. The aim of the investigations was to estimate the profitability and liquidity of the companies.

As confirmation of the gradually increasing focus on auditing activities, the Industrial Office changed its name to the Department of **Auditing** in 1930. Sillén’s auditing assignments then seem to have been mostly an extension of consultations on different organisational matters in the companies during the 1920s.

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7 In December 1916 credits granted by Svenska Handelsbanken against such collaterals amounted to SEK 95 million and by 1919 they had increased to SEK 346 million, which was nearly 20% of the total credits of the Swedish banking system (Hildebrand, 1971, p. 153).


9 During the period 1912-1932 at least 26 auditors and assistants worked at the Industrial Office, most of them hired within two years after graduating from SSE.
3.4. Setting up a Separate Auditing Bureau

Investigations following the Kreuger crash in 1932 contained critical remarks on one of Svenska Tändsticksbolaget’s auditors. This prompted Sillen and three of his younger colleagues to start an auditing bureau of their own (STEO). They soon hired five more auditors, but Sillen continued his earlier practice of working alone. It was not until 1941 that he hired his first assistant, who was followed by two others after the Second World War.

The passage of time increased Sillén’s authority in auditing even more and he became the grand old man of the Swedish auditing profession. At an early stage he had become very modern in his way of working, by considering not only accounting figures but also selling, purchasing and production issues, i.e., he cleared the way for management auditing.¹⁰

The demand for STEO’s services gradually increased. When Sillen left the Industrial Office he was an auditor for eight quoted companies. Less than ten years later, in 1940-1941, he audited a total of 27 companies of different sizes in many industries. His bureau also received a great deal of work through several investigations related to the Kreuger crash. On several occasions, Sillen was personally selected as an expert in Government Commissions on matters primarily concerning accounting, auditing and legal issues.¹¹ Sillen thus became a highly influential person in Sweden in this area.

In his academic role at SSE, Sillen was the only person to hold a chair in business administration until 1934, i.e., more than twenty years after he had been appointed. Until then he was supposed to cover the whole field. After that Sillen was able to concentrate on his main interests, i.e., accounting and auditing.

In his later writings, Sillen continued the work of his former teacher at the Städtische Handels-Hochschule in Cologne and the founder of the school of the dynamic balance sheet, Eugen Schmalenbach. In this way, Oskar Sillen was responsible for introducing Schmalenbach’s ideas on accounting and balance sheets in Sweden. In particular, Sillén’s book (1931), with principles of balance sheet values, has been read by business

¹⁰Information from his close collaborator Jan Nordenbäck (cf. Wallerstedt, 1988, p. 248).
administration students throughout Scandinavia for several decades. The book was published in its tenth edition as late as 1970!

It is quite evident that Sillén’s books and articles also had an audience outside of the business school curriculum. This was also his intention, as he always dealt with matters of high practical relevance. Of course, his close connections with work in the field provided him with the necessary practical knowledge. It also worth noting that Sillen endeavored to direct his publications to various audiences.

35. Retired Professor

Sillen stayed on as professor at SSE until 1951, when he retired from his chair at the age of 68. However, he continued his career as an auditor at STEO until 1955, and then in his own auditing bureau until his death in 1965. After his retirement, he was primarily active in the practical sphere, although he did publish a paper on valuation of inventories in 1954 and another on retirement pensions in 1956.

3.6. Conclusions

The boundaries between Sillén’s role as a professor and as a consultant were obviously very vague. He seems to have set as a successful bridge between the academic and practical fields. However, in terms of the framework presented in Section 2, there appear to have been changes in his profile over the years (Figure 2).

It may be noted that Sillén started out with a very low degree of concentration and a very low research orientation. He was a practical man, who had tried to solve problems from experience and who had limited academic qualifications. The fact that he had double appointments, primarily for economic reasons, seems to have been of crucial importance for his later development. It was probably significant that SSE did not regard this arrangement as problematic. This, in turn, seems to have been an effect of the weak bargaining position of SSE at a time when the supply of candidates for chairs in business administration was quite small.
The double contract had two effects. First, the fact that Sillen was hired as professor at SSE implied that he had to increase his research orientation, as manifested by his publications. Second, his appointment as head of the Industrial Office at the Swedish Federation of Industry gradually led him to concentrate on auditing. This development was later reinforced by the fact that in 1934, he was joined by a professorial colleague at SSE who took responsibility for teaching and research in administration and marketing. Sillen thus served as a bridge, in the sense of this study, for most of his professional life. In so doing he seems to have increased his research orientation and concentration.

4. The Process Consultant

4.1. The pre-SIAR Years (-1967)

Our example of a process consultant, Eric Rhenman, was born in 1932, the son of an engineer and a school teacher, in Jokkmokk, a town in Lapland. His road to consulting was characterised by rapid parallel careers in the academic world and industry. After finishing school in Visby with top grades, he studied in Stockholm and graduated from both the Stockholm School of Economics and the Royal Institute of Technology at the age of 23. He was employed by Swedish Esso (1955-56), and then by the Swedish nuclear energy Company,
Aromenergi. His tenure there lasted until 1964 -- the last three years as Administrative Manager. Simultaneously, he worked with the staff of the Swedish Air Force (1957-58), and taught at the Stockholm School of Economics (1960-65). He received a licentiate degree at SSE in 1961 with a thesis entitled *The Role of Management Games in Education and Research*. In 1964, he took up a position at SSE Research Institute as head of a research group in administration (*Gruppen för administrativt arbete, GAU*). By this time he was well-known and was even mentioned in a Stockholm daily newspaper as "one of the most amazing persons in Swedish industry". He and two colleagues published a book on conflict and co-operation in business organisations (Rhenman, Strömberg & Westerlund, 1963 and 1970), which was based on a project initiated by the top management of *Svenska Handelsbanken* (R5).

The creation of GAU, which later was to become SIAR, was an attempt to transfer the American idea of a contract research institute to Sweden. Rhenman had seen the potential for such an arrangement during a study tour of the United States in 1959, after which he unsuccessfully tried to convince the Royal Swedish Academy of Engineering Sciences (IVA) to become involved in the project. He eventually succeeded in obtaining support from the Swedish Council for Personnel Administration (PA-Rådet) and the Stockholm School of Economics (R5). The main purpose of the organisation was stated in a newspaper interview where Rhenman argued that:

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13 Oddly enough this group was not affiliated with the SSE department of Administration, but with Managerial Economics.

14 *Svenska Dagbladet*, August 5, 1964 (our translation).

15 The numbers in parentheses refer to the respondents. Note that (for reasons of anonymity) the numbers do not coincide with the alphabetical list of interviewees.

16 Note that other consulting organisations, such as the Boston Consulting Group (founded in 1963), appeared at the time (Läckgren, Westerling & Öberg, 1989, p. 11)

17 *Svenska Dagbladet*, August 5, 1964 (our translation).
There is a need for trying to understand the actions of companies so that we can evaluate effects of different operations and there is a need for developing better instruments for managers to work with. The research group should develop useful tools for managers who work with long-term planning, and train them if necessary.

In another interview, he stressed that clients should be given the opportunity to influence the direction of research, thereby giving rise to important work. Rhenman also regarded this as a healthy way of doing research because he believed in competition between research institutes and research companies. Furthermore, he considered this to be the most successful kind of research. Eight areas for the development of the research group were set forth: 18

Studies of the Eskilstuna central hospital; Long-term planning for civil service departments; Future (1975) computer needs in local banks; Plans for the evolution of and methods of organizing development programs in government business departments; Development of Pert/Cost systems for a large technological development program; Experiments in simulations of organizational planning; Development of CEO education programs; Development of forecasting methods for long-term organizational planning.

However, Rhenman's approach turned out to be controversial at SSE, since the policy of the school at the time was to maintain borders with consulting by requiring that the results of all research projects be published (Söderlund, 1989, p. 50 and R3). 19 Therefore, the group and its activities moved away from SSE and SIAR was created in 1966. A year earlier Rhenman had also obtained a new academic platform through an appointment as reader (preceptor) at Lund University.

18 Svenska Dagbladet, July 6, 1965 (our translation).
19 It also seems fair to say that Rhenman's new venture constituted an effort to counteract the establishment in the administrative research area.
4.2. The Early SIAR Years (1967-70)

In addition to Rhenman the founders of SIAR were four collaborators from SSE: Curt Berg, Roger Wallis, Christer Wallroth and Rhenman's co-author of the best-selling Företagsledning i en förändring värld (Management in a Changing World) Bengt Stymne (R2). One early important project in the SIAR portfolio was the above-mentioned project on hospital administration. Other important projects focussed on firms and associations in the building industry, where Rhenman had a number of useful contacts. One important theoretical base for the work at SIAR was the coalition model proposed by March, Simon and others (cf. Simon, 1947; March & Simon, 1958; March, 1962, and Cyert & March, 1963). As a matter of fact, Eric Rhenman became the main proponent of this framework in Sweden, where it was often labelled “Rhenman’s interest model”. This also led to criticism, particularly concerning his book on industrial democracy (Rhenman, 1968), and the concept of "balance of interest" (cf. e.g. Karlsson, 1969, Ch. 5; Therbom, 1966 and 1971, pp. 81-91).

The most important theoretical inspiration for Rhenman’s and SIAR’s work was Selznick (1957). It seems that Rhenman became familiar with this book during his stay in the United States in 1961 through Herbert Simon, who described Selznick as the critic he appreciated the most (R5). In terms of methodology the SIAR group adopted the clinical research method at an early stage. It is not unlikely that the hospital project provided inspiration for this methodology. Second, both Eric Rhenman and Bengt Stymne had a number of friends who were medical doctors, with whom they discussed research. Third, during the late 1960s, when there was a tendency to regard organisations as living systems (cf. e.g. von Bertalanffy, 1955) analogies were made between medical and organisational research (R2). Fourth, it is worth noting that an action research oriented Norwegian, Eric Thorsrud, was a member of the SIAR

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20 One output of the project was Bengt Stymne's doctoral dissertation in 1970, which is a study of efforts to merge three different associations within the building industry.


22 It seems that inspiration for the model came to Rhenman during his time at Aromenergi; one of his bosses had been taught the model in a course at the Stanford Research Institute!

board (R5). All in all, these factors produced an approach which Mintzberg (1990, p. 168) characterized as consisting of a culturally oriented conceptual framework, an open-ended style of theorizing and a methodology based on a few intensive case studies (cf. also Lind & Rhenman, 1989).

Early SIAR activities were financed by private scholarships, branch organisations, grants from research councils and teaching at SSE and the universities of Lund and Stockholm. The principle for remuneration was that SIAR staff members had a fixed salary, i.e., external compensation reduced their pay from the organisation (R4).25

In 1967, Rhenman’s academic platform was more firmly established when he was appointed to a chair in business administration at Lund University.26 As a consequence, SIAR opened a second office in Lund.

Throughout the late 1960s, SIAR maintained a practice of publishing the results of its consulting activities. In 1968, Rhenman published Organisationsplanering (Organisational Planning), which reported on a study of organisational consultants.27 The following year, Rhenman reported on the project at the Eskilstuna central hospital (Rhenman, 1969a and 1973b) and published a synthesis of long-range planning projects (Rhenman, 1969b and 1973a).28 Other team members reported project results in the form of licentiate and doctoral theses (Wallroth, 1968; Normann, 1969; Olofsson, 1969; Sandkull, 1970; and Stymne,

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24 Some of the early projects were commissioned by the Department of Commerce and the National Patent and Registration Office (Lackgren, Westerling & Öberg, 1989, p. 14). Other clients were organisations in the construction industry (R2). In addition, four grants were given by the Social Science Research Council in 1966-67, and one grant from the Bank of Sweden Tercentenary Foundation (Archive material). Scholarships were provided by Norrlandsfonden and Marcus and Marianne Wallenberg’s Foundation (R4).

25 This multisource financing made some research financiers complain about the mixing of research and consulting: “It was difficult to see where the money ended up” (R17).

26 Vem är det 1993.

27 The book was a revised version of a report which had appeared in 1964.

28 The latter was to a large extent based on restructuring projects, particularly through divisionalisation, in Swedish companies such as Perstorp, Felix, Husqvarna and Sockerbolaget (R12). For a summary of some of these divisionalisation projects, cf. Edgren, Rhenman & Skarvad (1983).
Thus, research orientation permeated the organisation. According to one individual: “It was not directly an order [to write a thesis] but the environment was like that. Everybody had scientific ambitions, research was more significant than economic aspects [...] We were very research oriented [and] learning was in focus” (R12).

The various academic works established a knowledge base at SIAR. They also communicated the SIAR ideas to both the scientific world and practitioners. This helped the organization to link up with the international scientific community, as manifested by a number of foreign scholars who visited SIAR. Among the guests around 1970 were Walter Buckley (cf. Buckley & Sandkull, 1969), Alvin Zander from Ann Arbor, Larry Bennigson, Larry Greiner and Jay Lorsch from Harvard, who each stayed for at least a year. Chris Argyris also visited SIAR for shorter periods of time. Several of the guests (Buckley, Bennigson and Greiner) participated in consulting activities (R12).

SIAR’s financing through consulting became more established over time and a special company, SIAR Planning Inc. was founded in 1970 with the explicit ambition of making SIAR’s consulting activities more efficient and professional (R6). Not all of the associates liked the increase in SIAR’s consulting orientation. One of them was Bengt Stymne, who had been very important in the development SIAR’s scientific profile. After having defended his thesis in 1970, Stymne left for SSE and a more research oriented career (R2). Similarly, Christer Olofsson had resigned a few weeks earlier, apparently due to the diminishing degree of research orientation (R4). Other resignations followed during the same period. In 1969 and 1970, a total of 13 persons left SIAR after having worked there on an average three years, i.e., almost two-thirds of the organisation’s existence. This was no doubt a considerable

29 These theses also provided inspiration for Rhenman's work. In the preface to Rhenman (1973a, p. v), for instance, he mentions that Normann's and Stymne's dissertations "have probably been my greatest single source of inspiration".

30 Another significant manifestation of this research orientation was the habit of continuously documenting meetings etc. in mernos (UPM). Most SIAR staff members have continued this practice regardless of whether they still work in SIAR or elsewhere.

31 In the case of Normann (1969), his thesis led to an article published by the Administrative Science Quarterly (Normann, 1971).

32 SIAR Alumni Register.
defection, which some of the respondents have referred to as the “cultural revolution” (R10-11) and others (R12) as a split-up of a family structure where “Rhenman was the father and Stymne the big brother, the assistants merely brothers and a few uncles, like Strömberg, just engaged on the board”.

4.3. The Second SIAR Phase (1970-75)

An important reason for the “cultural revolution” seems to have been an increasing tendency to look at competing consulting organisations. Among them, McKinsey appears to have served as the model for a high quality consulting firm (R12). As a result, a reorganisation was undertaken in 1971, which implied that a joint stock Company, SIAR-Planning AB, was created (Läckgren, Westerling & Öberg, 1989, p. 15).

This development is likely to have resulted from SIAR's growth as well as pressure from clients that SIAR exhibit more “normal” consultant behaviour. Those who stayed on tended to be more oriented towards consulting than those who had left. In addition, particularly in conjunction with some industry studies, a number of persons who were more practically oriented were recruited in the early 1970s. The research connection was also maintained through the recruitment of young Ph.d.s or Ph.d. students, primarily from Lund University (e.g. Lars Bruzelius and Per-Hugo Skarvad) but also from Stockholm University (e.g. Lars Åhrell and Sten Söderman). In this way the cultural heterogeneity within the organisation increased (Läckgren, Westerling & Öberg, 1989, pp. 15-16).

While Eric Rhenman remained the undisputed leader, Richard Normann became increasingly important for SIAR's development. Previously an assistant to Rhenman, he now became a partner and CEO for SIAR's consulting activities. Normann also became responsible for passing on the tradition of synthesizing consulting experiences into written form. His doctoral dissertation (Normann, 1975 and 1977), a kind of follow-up to Rhenman (1969b), provides the main evidence in this context. Interestingly enough, this work was not originally intended as a thesis, but was regarded as such by the academic community and was

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33Normann owned 10 % of SIAR Planning Inc., Rhenman 30 % and the SIAR Foundation 60 % (R6).
successfully defended (R6). It has also had considerable success outside of the research context: in 1991 this book was in its eighth Swedish edition and was the most frequently used management book at Swedish universities during the academic year 1991/1992 (Furusten & Kinch, 1992). No doubt it also helped to promote a more concise SIAR identity. Another means in the same direction was a book in which Rhenman (1975) discussed organisational problems in society.

At the time, both Rhenman and Normann were associated with the Department of Business Administration at Lund University -- Rhenman as professor and Normann as reader (R6). This arrangement also implied that there were still inexplicit ambitions that junior employees should write dissertations based on their SIAR experience. In this sense it was quite important that Normann was involved in the doctoral program as tutor and was very active in discussions on methodological issues (cf. e.g. Normann, 1970).

Despite this lasting association with Lund University, the early 1970s can be said to have implied the start of a new era at SIAR, with efforts to make consulting more efficient and to stabilize income. This in turn was linked to an ambition of expansion (R1). In order to improve efficiency, standardisation was applied using a set of analytical techniques (Lind & Rhenman, 1989, p. 171). Thus, relatively new employees could also be entrusted with diagnostic work. The techniques included analyses of Company history, a product/market matrix, and cash flow (R12 and R16). The results of the diagnoses were, at least in large projects, usually discussed in clinical, internal SIAR seminars.

Consulting projects also tended to become larger in the early 1970s. A number of projects were oriented towards the restructuring of Swedish industries. One of the more prestigious projects of this period was a study on the organisation of UNICEF (SIAR, 1975). As a matter of fact, this was considered a major breakthrough for SIAR (Argyris & Schön, 1978).

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34 An example of a thesis with such SIAR connections is Danborg, Hammar & Lind (1975).
4.4. The Third SIAR Phase (1976-80)

Normann’s defense of his thesis in 1975 seems to have marked the end of yet another era in SIAR’s history. The research orientation was now further reduced, as manifested, for example by the gradual disappearance of clinical seminars. In the words of one of our respondents (R11): “the intense coaching in the ideology of SIAR lasted until Normann’s dissertation in 1975 and then diminished”. An important reason for this development was probably Rhenman’s decision, at the age of 44, to leave his chair at Lund in 1976, and remain associated with the Department as adjunct professor. He had been a visiting professor at Harvard Business School for two years and had even been offered a HBS chair. However, he decided to concentrate on consulting and declined the offer. As a result, SIAR became even more orientated towards consulting, which was reinforced by an internationalisation process. Although it had already begun in the early 1970s with the establishment of offices in Helsinki (1970), London (1972), Copenhagen (1972) and Boston (1974), this process now accelerated. The previous establishments were thus followed by offices in Manila (1975), Paris (1978), Milan (1979) and Singapore (1981). Once again, clients’ demands appear to have been the driving force. A number of SIAR’s clients expanded to other countries, and the SIAR management considered it necessary to go with them. As regards establishment in the Far East, Rhenman’s contacts with a Philippine student at Harvard seem particularly important, as well as the fact that the Swedish forest industry had increasing interests in the area (R16). These links to specific industries also prompted SIAR to build up competence on conditions and developments worldwide in a number of industries. The forest industry was not an isolated example, but had counterparts in a number of industries such as steel, shipyards and health care. This became part of a new approach, i.e., to examine strategic conditions in different industries (Lind & Rhenman, 1989, pp. 171-173).

35During Rhenman’s leave of absence the Harvard professor Larry Bennigson worked with SIAR and the Department of Business Administration at Lund University (R12).

36An important factor in this decision was probably the restrictions on consulting activities of HBS professors were much more severe than those Rhenman had experienced in Lund (R4).

Despite the tendencies towards diversification and internationalisation in SIAR after 1975, efforts continued in research and scholarly writing. For this purpose, Rhenman gathered some Ph.d.s and a few senior consultants in “The SIAR Think Tank Division”, a part of the organisation described as a place “where you do not earn money, but where you get famous” (R1). Another part of the organisation with a similar purpose was SIAR II or SIAR Societal Organisation, where the old-timers Gabor Bruszt and Christer Wallroth were active.

Rhenman himself appears not to have been very involved in the think tank. Instead, he worked mainly by himself on a book, with the preliminary title “Corporate Growth Mechanisms”, which was supposed to be a follow-up of his 1969 book on long-range planning. However, it was never published, probably due to a fear of revealing too much of SIAR’s business ideas to competitors (R1). It is also likely that the work of developing SIAR into an internationally well respected consulting firm had a negative influence on Rhenman’s writings at the time.

Thus scientific production was remarkably diminished in the late 1970s. At the same time, it seems clear that the competence of the organisation both with respect to methodology and in scientific terms was much greater in that period than in the 1960s. However, the time and interest of SIAR consultants in regard to the academic literature seem to have declined drastically. Two factors are probably behind this development: first, tougher competition for projects, and second, increasing standards in the academic world (R12). It thus seems fair to say that none of the SIAR publications after 1975 were at the research frontier as they had been around 1970.

An effect of the changes during the third SIAR period was that some of the very senior people resigned. Gabor Bruszt and Christer Wallroth, both in the organisation since 1965, left in 1977 to set up their own consulting business. Their departure was not dramatic and was regarded as a gradual process. Basically it meant that they continued SIAR Planning in their own setup (R9).

Another key person who left in 1980 was Richard Normann, a SIAR associate since 1967. In 1979, he had started the International Management Group for Services (IMS), which he took with him when he left SIAR in April 1980 to create his own consulting bureau.
Service Management Group (R6). His work there eventually led to the publication of a book on service management (Normann, 1984).\textsuperscript{38}

4.5. The Fourth SIAR Phase (1980-)

In the 1980s the consulting culture seemed to have won out at SIAR, which now developed into an ordinary consulting organisation. This was stressed in an interview with Eric Rhenman in 1988, who stated frankly: “We have finished training professors!” (Ledarskaps konsultguide 1988, quoted in Bengtsson & Skarvad, 1988). Very few publications now appear from SIAR. In the last one (Andersson et al., 1982), six authors discuss the possibilities of using reorganisation for strategic purposes. This no doubt adheres to the thoughts developed at SIAR both before and after Rhenman (1969b). Nevertheless, Rhenman was not totally enthusiastic regarding this publication. Again there was an issue as to whether or not SIAR’s business secrets should be revealed (R10-11).

In the early 1980s, another group of long-time associates, with tenure of a decade or more, left the organisation. Among them were Jan-Ole Ray (1972-82), Lars Bruzelius (1972-83), Per-Hugo Skarvad (1971-84), Rolf Andersson (1974-84), Tommy Bergkvist (1976-86) and Bo Hektor (1975-87).\textsuperscript{39}

As part of the increasing "normalisation", SIAR acquired a logistics company and a computer consulting Company (Lackgren, Westerling & Öberg, 1989, p. 16). SIAR’s internationalisation also continued. As chairman of the group, Eric Rhenman had lived in Boston since 1981, and further foreign offices were established. He even came to the conclusion that SIAR could not survive in global competition on its own. As a result, he arranged for a merger between SIAR and the French consulting firm Bossard. In 1991, this new constellation was among the thirty largest consulting firms in the world. It was the fourth largest management consultant firm in Sweden with a turnover of SEK 76.5 million. In terms of competence and geographical representation, the two partners complement each other.

\textsuperscript{38}He also held an adjunct professorship at Lund in 1984-88, which led to another book (Normann, 1989).

\textsuperscript{39}SIAR Alumni Register.
Current projects now include management accounting issues (R4).

4.6. Conclusions

Prominent features of the SIAR case are first a strong orientation towards research and later on a gradual shift towards consulting. After 1970, ambitions at SIAR thus turned step-by-step towards developing a more competitive consulting technology as compared to the initial ambitions of developing scientific knowledge and methodologies. Consulting had previously been regarded mainly as a way of collecting data and financing research. The primary interest had been to search for new patterns and knowledge and to test these ideas on clients. In the words of two interviewees (R12 and R6):

We were very excited when something went wrong. It was bad for the client. But we got a solid problem to solve. We had found something interesting.

SIAR was the most interesting place in the world to work in this period [...] it was a melting pot for new ideas and methodologies.

A particularly important feature of the early SIAR culture was that associates were expected to produce academic theses. However, the passage of time was characterized by a shift to a less academic approach. To a large extent, this seems to have been a result of client demands, as well as difficulties in staying in touch with rapidly expanding scientific production. We can thus discern a pattern, which has been observed in other organisations, of having to maintain a balance between ideology and business, i.e., what Lodahl & Mitchell (1980) call “organisational [...] This in turn appears to be highly influenced by expectations in a particular organisational field (cf. DiMaggio & Powell, 1983 and Meyer & Scott, 1992). We

40 This is the insiders’ view. Some outsiders seem to regard the combination the other way around, i.e., that Rhenman used the research projects to set up his consulting business (R17).

41 For an extensive longitudinal case study dealing with this problem, cf. Engwall (1985 and 1986).
return to this issue in the concluding section where we compare the two case studies. Prior to that, we would like to recall the framework developed in Section 2 (Figure 3).

**Figure 3. Development** for the Process Consultant

This case seems to indicate that Eric Rhenman started out in the north-east corner of the diagram. In the first decade, particularly the first five years, we find a very high research orientation and a high degree of concentration. Associates were expected to present findings for academic communities and the projects focussed mainly on internal organisational issues. With the passage of time, the research orientation was successively reduced, while the problems handled became broader and more heterogeneous. Or, in the words of one SIAR consultant, quoted by Lind & Rhenman (1989, p. 167) as a "nice two-setond summary of SIAR's transformation over some 20 years": “We are not researchers and we are not consultants. We are resultsants!".

5. Concluding Discussion

We have presented two cases of consultants who have combined academic positions with consulting. The cases have been analysed in terms of the development regarding research orientation and concentration. We have found two, in principle, diametrically opposite
patterns. The expert consultant, Oskar Sillen, started out in the south-west corner of the diagram and moved towards the north-east, i.e., having a low research orientation and concentration in the beginning of his career, and gradually proceeding towards more research orientation and concentration. The process consultant, Eric Rhenman, on the other hand, began in the north-east corner and moved towards the south-west, i.e., decreased both his research orientation and concentration. The question now is how these differences can be explained.

The expert consultant case seems to indicate that Sillén developed a competence which could to a large extent be protected from competitors. As a matter of fact, he was such an expert that he could set the standards in the field and even transform his expertise into professional status through creation of the Authorized Public Accountants’ Association. We can thus see evidence of the classical closure mechanisms discussed in the professionalisation literature (cf. e.g. Burrage & Torstendahl, 1990; Collins, 1979; Larson, 1977; and Torstendahl & Burrage, 1990). In this particular case, the consultant even had the advantage over his clients that he, and not the client, could determine the client’s needs. This situation provided a power position for the expert consultant, which also had positive repercussions for his academic status. The latter, of course, was also reinforced by the fact that the number of professors in the field was very limited at the time.

In the process consulting case, a similar closure mechanism could not be developed. It is well known that the barriers to entry in this business are extremely low. Rhenman’s idea therefore seems to have been to develop a niche by creating a particular trust in his consulting business through its relationship to scientific work. However, in order to communicate this image, he and his associates had to communicate their research results continuously to the research community. This implied that their unique competence became common knowledge. Competitors could thus easily adopt SIAR’s ideas -- an undesirable effect -- and the passage of time seems to have reduced the enthusiasm for publishing. Yet another factor which works against research orientation and concentration appears to have been clients’ demands. Unlike Sillen, Rhenman and his associates could not determine the standards of their organisational field. Instead, they were set by large international, primarily U.S., consulting firms such as
McKinsey, Arthur Andersen and Boston Consulting Group. These standards provided no time for a research mode in consulting, but required rapid and distinct answers to upcoming problems. The degrees of freedom for running SIAR according to other standards were absent, as long as SIAR wanted to remain in the game.

Our fundamental explanation for the differences in the cases is thus that the expert consultant had the possibility of maintaining and strengthening his expertise, whereas the process consultant did not have these protective possibilities. These differences also seem to have been reinforced by the fact that Sillén worked in an early stage of the development of business administration, whereas Rhenman was active at a time when the discipline expanded considerably, particularly in the area of organisation theory.42

Our conclusions imply that bridges between the academic world and practice are particularly likely to last in cases where the linkage is provided by someone who has possibilities of protecting a unique competence. This is especially the case when a client has no or few alternatives. Or, in the words of Paul Simon: “when times get rough and friends can’t be found” then the academic consultant can lay down “like a bridge over troubled water”.

Sources

Interviewees (listed alphabetically and NOT according to the numbers [R1, R2, R3, etc.] used to designate the respondents in the text)

Olof Arwidi
Malcolm Borg
Bengt Brodin
Lars Bruzelius
Rune Castenäs
Jan Edgren
Henrik Fock
Christer Kedström
Curt Kihlstedt
Bertil Näslund
Richard Normann
Christer Olofsson
Eric Rhenman
Per-Hugo Skärvad
Sten Söderman
Bengt Stymne
Christer Wallroth

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