

Impact of Management Consultancy in Enhancing Project Implementation: The Nigerian Experience

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*This study was designed to determine the impact of Management consultancy in enhancing project implementation in Nigeria. Broadly, Management consultancy refers to the provision of professional and relevant services such as problem definition and resolution, needs assessment, recommendations, provision of additional information resources and implementation of ideas etc, with the objective of enhancing the effectiveness and efficiency of management. A problem in this sense is anything that makes it difficult or impossible for a worker, manager or work group, especially in project implementation to meet the specified requirements for the internal or external customers. Many organizations in Nigeria have continued to have limitations that tend to militate against their performance. Due to lack of these support service and non-utilization of expert advice, they have a lot of challenges, some of which are very difficult situations and milestones for them to achieve the desired objectives of both the communities they serve and their various governing parental bodies. Globally, Management consultancy has gained increasing relevance to businesses and corporate organizations, but the spate of increasing business failures in Nigeria leaves one wondering if this veritable tool for improving performance is being harnessed at all. The study adopted survey research design; the primary and secondary sources of data were explored. The primary data for the study was sourced by the author from interviews and issuance of questionnaires to persons of interest. Secondary data was sourced from journals, the internet as well as relevant textbooks from libraries. The population of the study is in two parts- staff/ consultants with the large public and international organizations like the Nigeria Breweries plc, International Donor funded projects, National banks. The total population was 290 (consultants and management staff). However, the **sample size** in each case was determined using a statistical formula for a finite population (Taro Yamane). The sample size for the first part is **99**, while sample size for the second part is **19**. The major finding among others revealed that lack of funds coupled by lack of appreciation of the role of consultants in enhancing better performance of organizations are the major reasons organizations in Nigeria do not fully exploit the support services of consultants. The study concluded by recommending that organizations that wish to gain competitive edge above their competitors should employ the services of consultants, although ascertaining the competency of Management consultants in Nigeria was also recommended for further study.*

Keyword: Management, Consultancy, Project Implementation, Organization.

1. Introduction

Several studies have proved that it is quite useful today for organizations and corporate bodies to bring in professionals who are experts in their relevant fields (external consultants) to guide and advice in the complex aspects of management. This is mostly necessary in view of the wider experiences they have to offer. In so doing, managers of such organizations can equally maximize the use of their limited time resource.

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Management has both been defined as a process and as a group of individuals in an organization. As a process, it involves the effective and efficient combination of organizational resources of men, money, machines and materials towards the achievement of organizational predetermined objectives. As a group, management can be defined as the group of people that organize and coordinate group activity, as well as effectively and efficiently combine the organization's resources towards the achievement of organization's predetermined objectives (Porter, 2005). In coordinating group activity, manages performs the vital functions of planning, organizing, directing, staffing as well as controlling. To Koontz in Gupta (2006:302), management is the art of getting things done through and with people in formally organized group. It is management that sets out the organizational objectives, and the course of action for the entire organization and then ensures every part of the organization is united in pursuing the set course of action.

Management also monitors the result through feedback so as to ensure that the organization has her desired outcome. In order to achieve all these, however, support services and expert advice are required, so that none of those objectives are lost. There is need; for instance, to correctly anticipate and identify the present as well as future challenges that may constitute threats (SWOT analysis) and constructively plan how to tackle them. That is where the role of management consultancy comes into play in enhancing efficiency and effectiveness of organizational performances.

Whereas management consultancy is fast growing and gaining much more relevance to corporate performance globally, organizations particularly in Nigeria, and most developing countries at large, are yet to come to full grips with the relevance of management consultancy service in improving organizational performance.

Organizations in Nigeria suffer for lack of adequate support services. Firms offering management consultancy service in Nigeria find it very difficult to continue their operations due to low patronage by corporate organizations. All these combine to frustrate and lead to poor business performance in Nigeria.

This study is expected to cause a notable revolution in the Nigerian consultancy industry.

There would be effort to re-emphasize the very important place that management consultancy occupy in checking the increasing spate of project failures in Nigeria's business environment. The study is aimed at attracting more patronage for the services of management consultancy firms in Nigeria.

The next section discusses literature related to this study in which the opinion of experts and authorities in the field are herein expressed. Next to the literature review, the hypotheses is stated that were postulated to actually test and discover if the null hypotheses were to be accepted or rejected. The next section that follows after the hypotheses are methodology, findings, justification and the concluding section which is the last part of the study.

2. Literature Review

Management Consulting has long been recognized as a useful professional service that helps managers to analyze and solve practical problems faced by their organizations,

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improve organizational performance, learn from the experience of other managers and organizations, and seize new business opportunities. It can be defined as providing independent services to meet a variety of client's needs in exchange for money (Kurb, 2000). It is information and data oriented practice whereby the consultant listens, observes and carefully gathers enough information to enable him provide useful and effective services to his client. The consultant processes special knowledge and gives expert advice, which the client may not possibly assess from his own knowledge.

According to the International Council of Management Consulting Institutes (ICMCI), (2002), Management consulting is the provision of independent advice and assistance about the process of management to clients with management responsibilities. Also, it is a professional and relevant services such as problem - definition and finding solutions, assessment of needs recommendations, provision of additional information resources and implementation of ideas to management for some fee, with the objective of enhancing the effectiveness and efficiency of management; (Porter; 2005).

Management consultants help businesses improve their performance and grow by solving problems and finding new and better ways of doing things. It's not just in the private sector either – many firms work with public sector organisations to help develop their services and, where necessary, reduce costs and make savings (Leaman, 2013). Consultancy firms offer services across all areas of business – from human resources and marketing, to information technology and finance. The broad span of consulting work makes it an attractive career, offering a diversity of projects, challenges and opportunities for personal development. This might involve working all over the world with multinational clients, even if you don't join one of the big firms (Leaman, 2013). Block (2002) also asserts that most people in staff roles in organizations are really consultants even if they don't officially call themselves consultants.

Also, Cheng (2015) asserts that management consulting strikes many as a rather unremarkable phrase, stating -You've probably interacted with a wide variety of people who call themselves –consultants – whether it be a salesperson, financial representative, or business analyst. The phrase -management consulting is more precise, referring to the industry and practice of providing guidance to management in order to improve the performance of organizations (Cheng, 2015).

According to the Association of Consulting Management Engineers (ACME), management consultancy is the "professional service performed by specially trained and experienced persons in helping managers diagnose management problems associated with the goals, objectives, strategy, organization, procedural or technical problems of the organization, and helping to implement solutions when appropriate". Ezigbo (2004) see management consultancy as "an advisory service contracted for, and provided to organizations by specially trained and qualified person who assist, in an objective and independent manner, recommend solutions to problems, and help, when requested in the implementation of solutions. From the foregoing, it is obvious that the management consultant is a person or firm supplying management help and professional person or firm hired by the manager, usually on a short- term basis, to provide specific expertise or to perform a particular management service.

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Even in this era of information, communication and technology (ICT), management consulting is also assuming very important dimensions in offering professional advice in all spheres of management. Kubr (2002) also asserts that the spectacular development of “e-consulting” was full of paradoxes. Continuing, he states that it brought a great deal of innovation, dynamism and entrepreneurship to consulting and its contribution and impact have ensured that “the profession will never be the same again”. However, considering the enormous challenges of mismanagement of resources in Nigeria, the need for knowledge-based client-consultant relationship arises in this context if the benefits of management consultancy must be harnessed to meet the numerous challenges in the country. As Dawson (2000) suggests, professional firms should examine where they stand “on the spectrum between providing black-box services and knowledge transfer”. A lot of knowledge transfer is needed to enhance the performance of these organizations in Nigeria. Also, as Ngige (2007) asserts, management of the organization must adapt to changes to ensure the survival and growth of the organization.

Above assertion is the reason for this research. All over the nation of Nigeria, it is a very common experience to find many uncompleted, abandoned and shabbily executed projects, most of which lacked expert advice and in which billions of dollar had either been borrowed or received as grants from international donor agencies.

Also, the spate of collapsed buildings in the country goes a long way to provoke serious concerns on the competency of consultants operating in the country. That also accounts for the uniqueness of this research from previous studies in that it brings the competency of management consultants operating in Nigeria to serious scrutiny. However, since change is the *raison d'être* of management consulting, organisations in Nigeria must brace up with and be ready to adapt the change that management consulting offers. A useful concept of change as developed by Kurt Lewin (An American social psychologist) which organizations in Nigeria must not overlook if the desired change must take place is the three-stage model whose stages are referred to as “unfreezing”, “changing” and “refreezing”. This, as Kurb (2002) asserts, unfreezing postulates a somewhat unsettling situation – a certain amount of anxiety or dissatisfaction. In other words, there must be a need to search for new and better ways of managing organizations in order for them to harness the benefits of management consultancy in Nigeria.

3. Hypotheses Formulation

For the purpose of this study, the following hypotheses were formulated:

- H₀₁: There is no significant relationship between management consultancy and the performance of business firms.
- H₀₂: Management consultants do not charge very high fees.
- H₀₃: Lack of funds is not the major reason organizations in Nigeria do not fully exploit the support services of consultants.
- H₀₄: The awareness of the relevance of management consultancy services to Business performance amongst business organizations is not increasing impressively in Nigeria.

4. Methodology

The study adopted survey research design; the primary and secondary source of data were explored. The primary data for the study was sourced from interviews and questionnaires were issued to persons of interest. Secondary data was sourced from journals of consultancy, unpublished lecture materials, the internet as well as textbooks from libraries. The population of the study is in two areas- consultants with UNDP and managers of three selected firms. With about 270 consultants on the services of UNDP and about 20 management staff, it was economically feasible to study the entire population in each case. However, the sample size in each case was carefully determined by applying a statistical formular for a finite population (Taro Yamane) formular.

The study recommends that corporate organizations should attempt to fully exploit the services of management consultants. It advises the management consultants to review their consultancy charges. Organizations that wish to gain higher edge above competitors should employ the services of consultants in their recruitment. This is because we are in an era where corporate advantage hinges on the quality of human resources available to the organizations as against the past trend of technological advancement. Finally, even when consultants had been engaged, the study equally recommends that organizations should be careful in implementing those solutions proposed by the consultants, so as to ensure they come up with the expected results.

The author also recommends that the Institute of Management Consultants of Nigeria (IMCON) should properly regulate the practice and ensure the competency of Management Consultants operating in Nigeria. The spate of constant project failures and poor performances recorded in the business sector leaves nothing to be desired.

5. Findings

The data gathering for the purpose of this study was done to capture the main objectives of the study. Consequently, the analysis and interpretation of the data were based on the objectives of the study. From the analysis, it was also possible to negate or validate the statements made in the earlier stated hypotheses. It is vital to recall that a total of 118 questionnaires were issued and interviews were conducted with persons of interest. Of the 118 questionnaires, the consultants returned 82, while the managers returned 18. This brought the total number of returned questionnaires to 100. The questionnaires administered to our various respondents will be designated with the symbols for clarity sake.

A-	Consultants	=	82
B -	Workers	=	18

On the whole, a total of one hundred questionnaires were returned by the respondents and used for the analysis. However, only relevant questions in the questionnaires will be considered.

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Table 1: Do Organizations Need the Services of Consultants?

Option	No of respondents	Percentage %
Yes	82	100
None of the above	-	-
Total	82	100

From the above table, it is quite obvious that all the projects need the services of consultants.

Table 2: Why Do Organizations Need the Services of Consultants?

Option	No of respondents	Percentage %
Performance	23	28
Improvement	-	-
Competitive and advantage	12	15
Profit enhancement	47	57
Total	82	100

From the above table, it is clear that the majority opinion of the consultants as regards why organizations need the services of consultants goes in favour of profit enhancement.

Table 3: How would you assess the awareness of the relevance of consultancy services on business performance by organizations in Nigeria?

Option	No of respondents	Percentage %
Fast growing	61	74
Moderately growing	18	22
Slow	3	4
Total	82	100

The opinion survey in the table above shows that greater percentage of the consultants see the awareness of the relevance of consulting services as fast growing in the Nigerian business environment. Only 4% of the consultants believe the awareness rate is slow. This is not surprising as there is undoubtedly an increasing awareness of the relevance of management consultancy services on business performance in Nigeria as a result of the ever growing challenges of the environment.

From the survey, it can be established that there is a working relationship between management consultancy services and the performance of corporate organizations. This finding supported the very first hypothesis which was postulated by the researcher. What this implies is that proper use of the services of management consultants would enhance the performance of corporate organizations as regards to their productivity, operational efficiency and particularly, profitability. Based on the second hypothesis, it can now be strongly established that there is an increased knowledge and awareness of the relevance of management consultancy services to business performance amongst business organizations in Nigeria. Corporate organizations in Nigeria are increasingly coming to grips with the relevance of management consultancy service to their

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performance.

From the third hypothesis, we found that management consultants in Nigeria charge very high fees. This can be attributed to the quality of service they offer as well as the need to have the best possible working conditions so as to be able to put in their best. Getting consultants to work on client's side involves the firm bearing the transportation, accommodation and other logistics involved most firms in Nigeria are not willing to part with. Therefore, from tables 1, 2, 3, we accept the null hypothesis.

Table 4: How demanding are your charges?

Option	No of respondents	Percentage %
Very demanding	58	71
Moderate	20	24
Not demanding	1	1
No answer	3	4
Total	82	100

The opinion survey in table above shows that 71% are of the consultants are the view that their charges are very demanding, 24% are of the view that the charges are moderate, just 1% believe the charges are not demanding, while 4% did not want to provide any of the answers. This obviously shows that the charges of consultants are very demanding. Of course, it includes logistics charges like accommodation, transportation, miscellaneous and so on, particularly while working on the client's side.

Table 5:

If your answer above was (a), why do you think it is very demanding? Here, the respondents were allowed to explore a bit from the answer however, we generally gathered that the reason is majority two: firstly because their services is very critical to business growth and survival. And of course, there is the belief that the consultant gives the best services under suitable working conditions.

Option	No of respondents	Percentage %
Yes	18	100
No	-	-
Total	18	100

From the opinion survey of the managers of the selected firms in the table above as regards awareness of the availability of management consultancy services, it is obvious that all the firms are very much aware of availability of management consultancy services.

Table 6: How often does your firm make use of management consultancy services?

Option	No of respondents	Percentage %
Very often	5	28
Moderately	10	56
Seldom	3	16
Total	18	100

From the table above, it is quite obvious that majority of the firms moderately engage the services of management consultants. These are mainly those UNDP organizations. The private companies and others, although they are aware of management consultancy,

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seldom use consultants. This is pointer to the growing awareness but lack of use of consultancy services by organizations in Nigeria.

Table 7: If you answer above is moderately or seldom, what prevents your firm from making extensive use of the services of consultants?

Option	No of Respondents	Percentage %
Consultants charges very high fees	3	60
We do not often encounter challenges that need external consultants	1	20
We have viable internal consultants	-	-
We are afraid consultants might leak out secrets to competitors	-1	20
Total	5	100

From the above table, it is crystal clear that the major reasons for not making extensive use of consultancy services by firms is because of the high fees charged by consultants. Of the five managers that make moderate use of the consultancy services, 60% is due to high fees charges by consultants, while 20% respectively is due to viability of internal consultants and not often facing challenges that required consultants.

Table 8: Generally, what have you to say about the fee charged by the management consultants?

Option	No of respondents	Percentage %
Moderate	2	20
Low	-	-
High	2	20
Very high	14	60
Total	18	100

From the opinion survey of the managers as regards fees charged by the management consultants, 60% say it is very high, 20% say it is high, while remaining 20% say it is moderate. This clearly shows the majority opinion of the managers is that the fees charged by the consultants are very high.

Table 9: Management consultants play a great role in the growth, productivity and particularly profitability of any firm. How true is this statement?

Option	No of respondents	Percentage %
Very true	13	72
True to an extent	5	28
Not true	-	-
Any other comment	-	-
Total	18	100

From the table above, 72% of the managers are of the opinion that statement that consultant play a great role in the growth, productivity and particularly, profitability of any firms is very true, while 28% believe the statement is true to an extent, that is not completely true. The majority opinions are that the services of consultants are very critical to business growth,

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productivity and profitability.

Table 10: From your experience, how often do management consultants in Nigeria succeed in providing the expert, complete and professional advice which they claim to provide?

Option	No of respondents	Percentage %
Most of the time	14	60
Some of the time	4	40
Few of the time	-	-
Never	-	-
Total	18	100

From the opinion survey in the table above, 60% of the managers believe the consultants provide the expert, complete, professional advice, which they claim to most of the time, while 40% believe they provide it only some of the time. None of the managers were either for few of the time or never. This shows a very strong reliance on the services of consultants by organizations.

The fourth to the tenth hypothesis which were tested clearly proves that lack of funds is the major reason organizations in Nigeria do not fully exploit the support service of consultants.

6. Justification

For the data collection, questionnaires and oral interviews were the instruments used. Senior managers at regional offices at Enugu were used for oral interviews with some consultants as well as senior partners with the firm. Reasoning that the use of management consultancy services is an issue that border on the corporate policy of an organization, attempt was made in each visit to the selected firms to focus on the management team. In constructing the questionnaire, a combination of multiple-choice, dichotomous and open-ended questions were used. Multiple choice questions: here, respondent were allowed the flexibility of selecting from a range of possible answers. Dichotomous or structured questions:

These are questions that solicit for a 'yes' or 'no'. The structured questions allow only two possibilities and place the least demand on the respondent. Open-Ended Questions: These are short and precise questions that allow the respondents say all he knows about a subject. Based on the calculated sample size, a total of 118 questionnaires were produced and distributed- 19 questionnaires for managers and 99 questionnaires for International donor agency consultants. The questionnaires contained questions peculiar to the work of each group.

7. Conclusion

Due to poverty levels and harsh economic realities in Nigeria, it is very important for the management consultants to review the charges on consultancy services as a way of encouraging corporate organizations to fully exploit their services which is critical to business growth and survival. Nigeria as a third world economy cannot continue to

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experience such incessant project failures as is being observed all over the vast expanse of the country. They can encourage these organizations by reducing charges across board. The study suggests that consultants should work hard towards selling the benefits of their services to business organizations. However, we note that even when the charges are high, the benefits of employing consultancy services always outweigh the cost. Conversely also, management consultants in Nigeria has a lot to do in putting to the fore the advantages derivable by organizations, should they engage their services. Secondly, they should always get the bidding of their clients without imposing their own ideas compulsorily, so as to ensure they benefit maximally from their services. Management consultants should be giving maximum cooperation to their clients and should always guard as confidential all information concerning the business and affairs of clients who come to them in the course of professional engagements.

By way of contribution to knowledge, although there have been a lot of research on motivation and how it has improved performance in a lot of other countries like UK, USA, Japan etc, to the best of the knowledge of the researcher, no other research had applied motivation to the performance of projects and organizations in Nigeria.

Also previous researches in this area do not have the same objectives, research questions, hypothesis, findings, conclusions and recommendations.

Lastly, the development and adaptation of a systems cybernetic model (O'brien 2008) into this research, which is an effective and sustainable approach to improving performance will support managers and staff of projects and organizations seeking to clarify their strategy communicate and challenge their assumptions.

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