A STUDY OF MANAGEMENT CONSULTANCY AS A STRATEGY FOR TRANSFERRING WESTERN MANAGEMENT TECHNOLOGY TO KENYAN ORGANIZATIONS

by

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

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This thesis has been submitted for examination with my approval as University supervisor.

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ABSTRACT

This study covers two subject areas,the scope and contribution of management consultancy and the application of western magagment technology to Kenyan organizations. It was conducted on the assumption that management consultancy is an important tool in the improvement of management resources. It was also based on the observation in the literature that consultants are one form of transfer of modern management technology to developing areas and that this process is constrained by economic and socio-cultural factors.

The study was conducted at three levels:

a) personal interviews conducted in eight (local and foreign owned)management consultancy firms operating in Nairobi,

b) mailed questionnaires on management consultancy services sent to a sample of seven hundred and fifty organizations, and

c) case-studies conducted in three prominent consultancy client organizations.

The study showed that the management consultancy industry in Kenya was in its infant stage and had a low level of utilization. Its major areas of activity were

accounting and financial management, managerial economics, and management training. The major users of these services were government institutions, international agencies, and at a smaller scale business organizations.

Management consultancy was observed to be an active form of transfer of western management technology to Kenyan organizations. The study found that the factors facilitating the transfer of management technology were (a) education, (b) the political system based on democracy and the capitalistic type of economy, and (c) multinationals and foreign aid and loans, and those impeding the transfer were (a) the communal social system, (b) the business community in Kenya different from that existing in the western countries.

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TABLE OF CONTENTS

LIST OF FIGURES AND TABLES

Tables (Contd) Page

CHAPTER I

1. INTRODUCTION

Developing countries are inadequately equipped in their struggle to achieve economic development. For long, the forces hampering development have been pointed out to be lack of natural resources, capital and technical know-how. It is only recently that poor management has been identified as a major drawback to economic development. Ross, quoted by Koontz and O'Donnell wrote:

> No amount of capital investment will succeed in furthering human progress if such wealth producing resources are mismanaged and undermined through lack of fundamental (management) concepts. This lack of knowledge exists and the modern tools of finance, marketing, etc. ... are not common knowledge in developing areas...[1]

Recent writers on management have stressed the importance of management by arguing that there are no underdeveloped countries but rather undermanaged countries. Drucker for example points on Japan, a country with a few natural resources but has exceeded most western countries in development as a result of good management.[2]

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[1] J. Ross "The Profit Motive and its Potential for New Economies" as quoted in Koontz and O'Donnell Management: A Systems and Contingency Analysis of Management Functions, 6th Ed. Tokyo: McGraw HillCo. 1976, pp. 100-1.

[2] Peter Drucker, "Management's New Role", Havard Business Review, Nov - Dec. 1969, pp. 55-99.

On the same point the United Nations Industrial Development Organization noted that:

> Among forms of consulting services which a developing nation may seek, management services are viewed as one of the toughest and most pressing challenge confronting development programmes since poor management can nullify all previous progress and since new management skills are crucial for coping with changes.[3]

Advanced management technology[4] has been adopted by developing countries in the hope of accelerating economic development. The economic achievement of that technology in the developed western countries is used to justify its adoption. This practice is supported by the universalistic management theorists. However,there is need to examine this generalization.

Modern management theory, specifically the contingency theory of Lawrence and Lorsh[5] views an organization as a system whose management should be responsive to both its macro and micro environment. The underlying idea is that the internal functioning of organizations must be consistent with the demands of the external environment and the needs of its members. The contingency theory upholds that the

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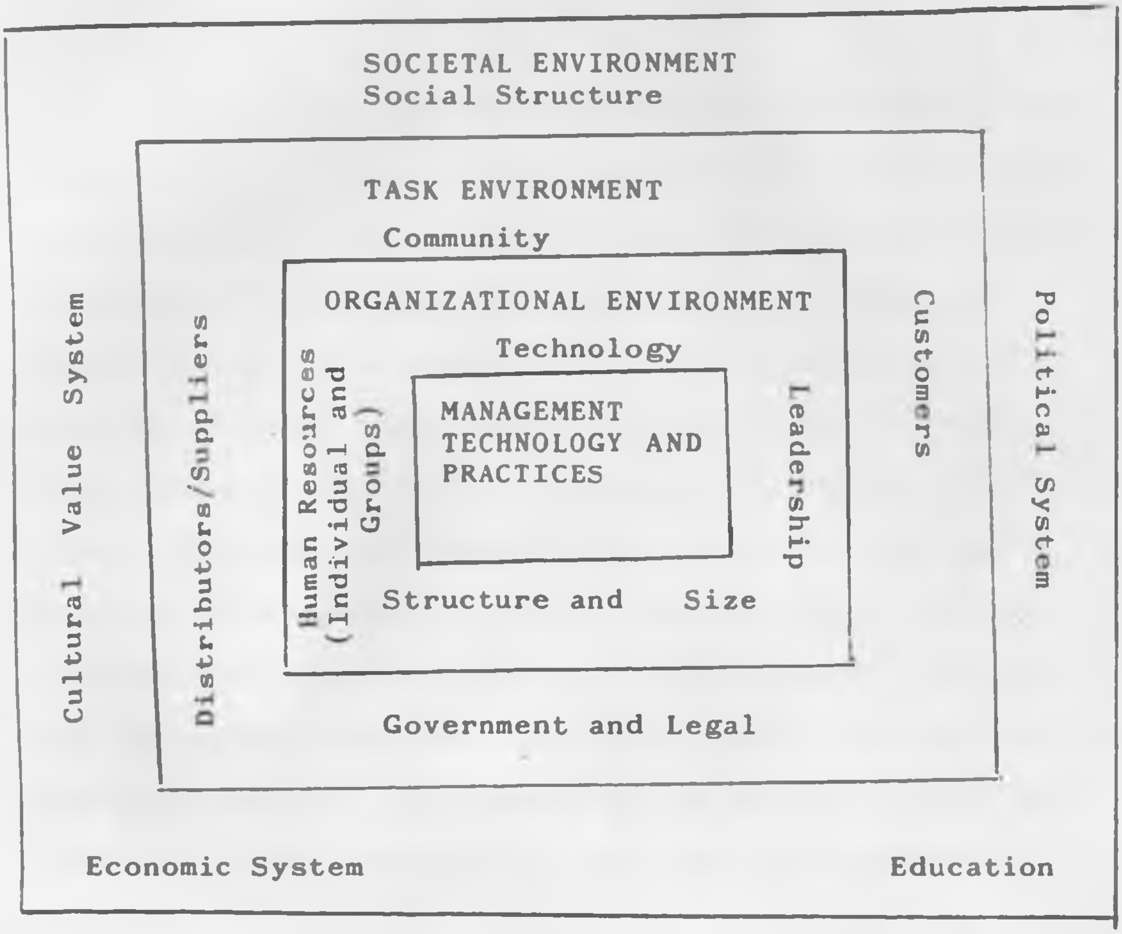
[3] Manual on use of consultants in developing countries as summarized in Hollander and Flaster, Management Consultants and Clients, USA: Michigan StateUniversity,1972 p.484

[4] Management technology is a frame-work consisting of concepts, principles, theory, practices and know-how on the management tasks (i.e. planning, organising, staffing, directing and controlling) to support management behaviour.

[5] Kast and Rozenweig "Theory: Applications for Organizations and Management" Academy of Management Journal Vol.5 No.4 Dec.1972.

Figure 1: The Environmental Factors Influencing Management Technology and Practices[6]



essence of effective management lies in understanding the basic configurations which exist between the various subsystems and the environment. These sub-systems and the environmental factors as shown in Figure 1 influence the management technology and practices.

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[6] Shoukry D.S. and P. Gufwoli, "The Transfer of Management Techniques and Practices: The Kenyan Case", ASAC 1980 Conference, p.2.

The factors influencing management technology and practices are usually classified into three levels namely organizational, task and societal. The organizational environment is within the 'closed system' marking the boundaries of the organization. The variables normally identified under this layer are: technology, structure and size, human resources and management philosophy all interacting. The task environment refers to those factors directly influencing the operations and success of the organization, for example,the clients, agents, suppliers and government agencies. The third layer, the societal or macro environment is composed of the society's political, economic, legal, educational and socio-cultural subsystems.

Western management principles and practices are also built on western environmental systems. Writing on the application of western management techniques in developing areas Sherif noted that:

> The chief difficulties ... are to be found in the wide and complex field of managerial attitudes, motives ... educational and cultural backgrounds. The successful introduction of management techniques requires a great deal of dovetailing and an integrated approach based upon thorough understanding of the inter-relations between various management functions and techniques.[7]

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[7] Ahmed Sherif, "Management techniques and their application in less developed areas with special reference to the experience of the United Arab Republic" in Karl Ettinger (ed) International Handbook of Management, pp. 133-142.

1.1 Overview of the Study

The management consultancy industry in Kenya is expanding as a management development tool. As a tentative suggestion the consultants base their practice on western management technology. It can be stated that while the work of consultants in western developed countries can be compared to surgical operations of a human body, the work of consultants in the context of developing countries is more like the transplantation of an organ from one human body to another.

This study is addressed to two questions:

(a) what is the role and contribution of management consultants in the improvement of management resources in Kenya?

(b) how applicable is western management technology to Kenyan organizations/environment?

The study is built on the following conceptual hypotheses:

(a) management consultants in Kenya have a tendency to directly transfer western management technology to client organizations, and

(b) management is both a universalistic science and a cultural - bound art. While the techniques (i.e. practices and processes) may be effectively transferred, the culture (i.e. philosophies and value assumptions) incorporated is less readily subject to transfer.

1.2 Scope and Objective of the Study

Since there are various sources of management consultancy services, this study looks at the professional business consultancy only. The study has two major objectives:

(a) to examine the contribution of consultants towards the improvement of management resources during 1975-80, and

(b) to examine management consultancy as a form of transfer of western management technology and its application to Kenyan organizations.

It is hoped that this study will contribute to a better understanding of the role of management consultancy as a means of improving management resources in Kenya. Management consultancy client organizations will also be able to have a wide assessment of these services. In addition,the study will contribute to the recently raised concern in management - application of western management technology to developing areas.

CHAPTER II

3. LITERATURE REVIEW

The literature review covers two subject areas which make up this study:

(i) the practice of management consultancy; and

(ii) the transfer of management technology.

3.1. Management Consultancy

On the whole very few studies have been carried out on the practice of management consultancy.

Sargent has divided the past and the future trend of management consultancy activities in four periods: the marketing research era (1925 - 1940); the scientific sales analysis era (1940-1955); the marketing concept era (1955-1970); and the business strategy era (1970-1985). He noted that consultancy has been in a cumulative movement retaining and expanding the characteristic work of the proceeding era in each successive period, but in the late 1970's it centred on business strategy.[8]

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[8] Sargent J.R. "The Evolution of Management Consulting in Marketing and Horizon for the 1970's" summarized in Holland & Flaster, Management Consultants and Clients, 1972 pp. 9-10.

In consistency with Sargent's observations Shay wrote that, due to changes in society and their cumulative impact on the organization consultancy activity will become increasingly important in the area of long-range planning. Also, there will be a greater need to provide counsel and assistance in managing human resources.[9]

A study of business firms in the United States by Krentzman found that the percentage of users varied directly with the firms' size. It was also found that only (32%) thirty two percent out of seven hundred (700) firms surveyed had used consultants even though (85%) eighty five percent of them had been approached by consultants' representatives.

A number of factors limiting the use of consultancy services have been identified. Krentzman found that the major obstacles to the use of consultancy services by small firms were:

1) fear of high charges;
2) resistance to signing of formal contract and thus losing ability to terminate the agreement at will;
3) feeling that employment of consultants was admission of failure;

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[9] Shay, "Management Consulting in the 1970's and Beyond", in Hollander and Flaster, ibid.

4) dislike of high pressure methods used by some consultants;

5) feeling that the consultants would not be as capable as the salesmen employed by some consultancy organisations;

6) fear that selecting and talking to consultants would take too much time; and

7) feeling that the problems were "too unique", "too small" or "too fluid" to be understood by an outsider.

Fear of industrial espionage is another factor pointed out as a drawback to the use of consultants.[10] Stepanek, pointing to pre-industrial countries lists: 1) educational limitations of managers; 2) lack of complementary resources to implement the recommended changes; and 3) the perceived threat to cherished cultural patterns.[11]

While a number of studies report low level of use, studies among users record high satisfaction with consultancy

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[10] Krentzman, H., "Can small businesses use consultants?". Havard Business Review , May-June, 1960, pp. 132-7.

[11] Stepanek J. "Small industry advisory services" in Hollander and Flaster, op.cit. p. 408.

services. In Krentzman's study 81% of the users reported receiving services 'as good as' or 'better than' they had expected. A study on the productivity of management consultants, based on assessment of job summaries completed by the staff of four of the largest consultancy firms in the United Kingdom by Johnston found that about a quarter (i.e. between 20-25%) of the annual productivity increase achieved in Great Britain since 1960 could be attributed to the work of management consultants.[12]

Johnston's study, however,can be criticised for two major weaknesses in the methodology. Firstly, the basic information used to reach the conclusion was subjective in nature and incomplete. Secondly, no independent reference was made on client company records.

In the midst of these findings on the contribution of management consultants, Lyall found that a few client companies ever carry out in-depth past consultancy service evaluation. Study findings that record high success in the work of consultants are general surveys on managers' attitudes than objective evaluations.[13]

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[12] Lyall, D. "Do Consultants Improve Efficiency?" Management Today, Jan.-Aug. 1972, pp.37,40,44.

[13] Lyall, D., ibid.

Comparing the local-owned and foreign-owned consultancy firms, Mwaniki, in his study observed that the former operated in a less competitive position mainly because they lacked capital and local professional manpower; and their progress was hindered by both local and foreign clients prejudices in favour of the latter.[14]

Chaput in an article on consultant - client problems in Africa described foreign consultants as:

> ..., often overskilled, overly specialized, addicted to technical jargon, likely to make excessive use of easily obtained but totally unreliable published statistics, unfamiliar with local conditions and needs, insensitive to environmental constraints, and inclined to over-identification with expatriate rather than indigenous staff in the client organizations.[15]

In support of existence of a cultural gap between foreign consultants and clients in developing countries, Maasarani in an article on American consultants in studied Middle Eastern and adjacent countries described the major problems they faced as:

> ... training client personnel who lacked strong business backgrounds, confronting inadequate management philosophies and structures and clients' failure to understand such basic management concept as 'authority and responsibility'.....

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[14]Mwaniki, N. , "Development of indigenous consultancy organizations in Eastern and Southern Africa: A survey", 1979.

[15]Chaput, M.J. "Consultant - client problems in Africa", in Hollander and Flaster, op.cit.

failure of clients to implement recommendations[16] Maasarani's observations indirectly support Chaput's writing because to refer to a local culture ans having inadequate philosophies and structures and to blame the client for failure to understand foreign management concepts as 'authority and responsibility' has the implication and carry a tendency for the consultant to discard the local culture and force the client to adopt what is foreign. Onyemelukwe observed that, western management technology is being practiced in Africa with very little understanding of the cultural assumptions on which it was built. He further observed that the African elites were no better than foreign managers in practising western management technology because their outlook and reference standards were largely westernized.[17]

This study tries to objectively examine the contribution of management consultancy by identifying the services offered, assessing the level of use and reporting on client organizations' evaluation of services used during 1975 - 80. In addition, the study examines management consultancy as a form of transfer of western management technology and its application to Kenyan organizations. The latter is built on the literature reviewed below.

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[16] Maasarani "The role of American management consultants in some of the Middle Eastern countries" in Hollander and Flaster, ibid. pp.481-2.

[17] Onyemelukwe, Men and Management in Contemporary Africa. London: Longman Group Ltd., 1973

3.2 The Transfer of Management Technology

There are two schools of thought on the transfer of management technology: the universalistic and the cross-cultural. The universalistic school upholds that efficient and effective management is based on universal principles, practices and general know-how which can and should be transferred to any country, while the cross cultural theorists advocate that management is essentially culture bound.

Koontz and O'Donnell wrote that:

> "Persons like the authors who have led management seminars for various types of enterprises find that the identical concepts,theory and principles, and often the same techniques (such as budgeting and management by objectives) apply with equal force in widely different enterprise environment".[18]

Unfortunately, there are very few studies to support the universalistic school. One of them by Johnson, found the Japanese managers no more communicative or autocratic than the American manager despite the opposed philosophies values, beliefs and myths of the cultures of these managers. On basis of this finding, Johnson argued that there are a set of things unconnected with culture that contribute to a successfully run company.[19]

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[18] Koontz and O'Donnell, Management - A System and Contingency Analysis of Managerial Functions, (6th Ed.) Tokyo: McGraw Hill Co., Kogabusha Ltd; 1976, p.121.

[19] Roy Hills reporting T. Johnson's Study, "Are Japanese Managers Really Better?", International Management Vol. 31, No.7, July 1976, pp. 35-7.

The cross-cultural theorists are not opposed to the latter observation, indeed they admit that some management techniques can be effectively transferred from one culture to another.[20]

In a comparative study on Japanese and American management styles of companies operating in America, Ouchi and Johnson identified five major differences between the Japanese and "American" management practices as listed below.

1) Flow of information and initiative from the bottom-up direction as opposed to the western style which is reversed.
2) Top management is the facilitator of decision-making rather than the issuer of edicts.
3) Middle management is used as the impetus for and shaper of solutions to problems through team work as opposed to the western style which emphasizes functional specialization and individual achievement.
4) Japanese management style stresses consensus as the way of making decisions while for the western, as the authors put it:

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[20] Phatak Arvind, "Management Practices of Industrial Enterprises in Mexico: A Comparative Study", Management International Review, Vol. 18, 1978, pp. 43-8.

> ... a decision process based on consensus conveys a host of parkinsonian horrors, interminable meetings, endless squabblings and ultimate indecision.

This is the case in the western management style because the cultural system prize individualism, it gives value to making decisions quickly, it equates a slow process of choice to inefficiency and has poorly developed inter-personal skills.

5) Lastly, they pay close attention to personal well-being of employees, concerned with both the employee and the product, while the American managers are over concerned with production. They rate employees solely on productivity, and they believe personal matters should be left at home.

Ouchi and Johnson explain the difference in management style to be a result of the widely differing assumptions on which behaviour in the two cultures is built. These differences are especially pronounced in their attitude towards individuality and self sufficiency. The American (western) value system puts emphasis on these qualities and as a result contributes to competition and rivalry in American organizational life. The Japanese believe in collectivism leading to team work and group spirit in their organizations.[21]

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[21]William Ouchi and Richard Johnson, "Made in America (under Japanese Management)", Havard Business Review Sept. - Oct. 1974, pp. 61-69.

In another study on Japanese companies operating in America, within the individualistic western environment, Ouchi and Jaegar found that they practised the Japanese management style built on the community concept but in a slightly modified form. They observed that the Japanese transplantation of their management techniques in America combines the basic cultural commitment to individualistic values with a highly collective pattern of interaction. On this basis, they concluded that for a foreign management technology to be successfully practised in a new environment it has to adapt to the basic host cultural values.[22]

A number of studies have been directed at finding the constraining factors on the transfer of advanced western management technology to developing areas.

Frank Cotton, in a study of twelve countries in Europe and North Africa focused on the obscure and human limiting factors on the transfer of management technology. He identified four major areas as sensitive in the transfer process as given below.

1. The cultural value systems: Cotton found that in many countries higher value is placed on absence of failure, error and conflict than outstanding success, creativity and contribution.

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[22] William G. Ouchi and Alfred Jaegar, "Type Z Organization: A Corporate Alternative to Village Life", Alumni Bulletin Fall, 1977-8 pp. 13-19.

From the writer's point of view, such a cultural background would limit the use of some management techniques developed in the 'west' where risk, challenge and achievement are valued. For example, contrary to Koontz and O'Donnell's observation (universalists) as reviewed earlier on, a technique like Management by Objectives which does away with clear-cut prescribed procedures and responsibilities may not be effectively transferred to such countries/ societies.

2. The economic systems: Cotton observed that absence of or a small size of 'middle class' society in some countries impedes the development of an effective structure of line and staff within firms. A country like Kenya may fail to adopt an American organization structure because it lacks the skilled personnel required to work in it. Cotton also observed that some economic systems have very limited competition and place little emphasis on labour and capital efficiency and the use of management control techniques.
3. The desire for security: in Cotton's study, job security ranked high on the list of basic human needs with employees in many cultures compared to employees in the United States. From the

writer's point of view this may pose as a major limitation on the relevancy of some sophisticated motivational devices of modern industrial management.

4. Personal and organizational relationship: this too was observed to vary substantially among cultures. For example, emphasis on individual activity and achievement and the use of authority in the American culture as opposed to group activity and collaboration in the Japanese culture has been observed to contribute to the difference in their management style.

Cotton noted that in all the countries visited there were indications of local factors that interacted adversely with management technological transfer, although the economic advantages inherent in a specific transfer more than offset these adverse effects. He commended that a higher degree of success could be achieved by firms that carry out proper adjustment to local social systems.[23]

In another study on factors that may constrain successful application of management know-how to developing

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[23] Frank Cotton, "Some Interdisciplinary Problems in Transferring Technology and Management" Management International Review, Vol. 13, 1978, pp. 59-65.

countries, Negandhi pointed on existence of 'sellers' market position' due to limited market competition. This observation is supported by Cotton's factor number two. Negandhi explained that sellers' market position leads to a tendency among managers of business organizations to adopt a philosophy of short-run profit maximization and overemphasis on production activities at the expense of managerial activities. Compared to western developed countries where business enterprises operate in a free-enterprise and highly competitive market condition, any managerial inefficiency shows up in the competitive weakness of the company, and the cost structure of its products. It is these competitive conditions that led to the conception and development of most modern western management techniques, and hence they may not be relevant in developing countries' economy.[24]

A study carried out by Shetty in India identified the following economic and social factors as constraints to the transfer of management technology to developing countries.

1. The size of a company may not afford let alone need complicated management practices but as its size grows it may have to adopt them for efficiency.

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[24]Negandhi, A., "Transmitting Advanced Management Konw-how to Underdeveloped Countries", Negandhi and Prasad, Comparative Management, New York: Appleton-Century Crofts, 1971: pp. 225-231.

2. The nature of the industry: less complex technology and market structure and condition has less requirement for advanced management technology.
3. The authoritarianism in subordinate superior-relationship. Shetty found the Indian manager was opposed to delegation as a way of training surbodinates because of his cultural biases. To an Indian manager the surbodinate is incompetent for delegation because he is a rival.[25]

Onyemelukwe's study on management in Africa[26] identified ten forms of conflicts between African management built on western management models (based on individual system) and the African worker brought up in a community system.

The above review clearly reveals that there are economic and socio-cultural factors that constrain the transfer of management technology. This study identifies the constraining factors to the transfer of western management technology to Kenyan organizations. The following propositions are drawn from the literature review both on the practice of management consultancy and

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[25]Shetty J.K. "Transmitting Management Know-how to Less Developed Countries; Experience of U.S. Multi-national Corporations" Management International Review 1973 pp. 71-77.

[26]Onyemelukwe, op.cit.

the transfer of management technology, and the analysis of this study findings is built on them.

1. Management consultancy services in Kenya (and in other developing countries) are expected to be more biased towards problem solving than long term development aspects.
2. In Kenya, there is expected to be little use of management consultancy services especially due to cost factor and high value for stability. The latter is often associated with developing societies.
3. Large firms are expected to use consultancy services more than small firms.
4. Foreign consultants are expected to be more active vehicles of transfer of western management technology with less sensitivity to local environment conditions compared to indigenous consultants.
5. The application of western management technology to Kenyan organizations is expected to be constrained by economic and socio-cultural factors.

CHAPTER III

2. RESEARCH DESIGN

This study was conducted during the last half of 1980. It comprises three parts: (a) personal interviews with management consultants,(b) mailed questionnaire on management consultancy services to business organizations, and (c) case studies conducted in prominent consultancy client organizations. The sample and the data collection tool for each part were drawn and designed separately.

2.1 Sampling and Data Collection

Part A

The first part of the study comprised eight personal interviews with management consultants from eight firms operating in Nairobi city. A preliminary interview guide was designed and used during a pilot study in three consultancy firms. The final interview guide was drawn and it aimed at collecting the following categories of data:

(i) background information on the consultancy firm;

(ii) areas of specialization, work methodology and major clients; and

(iii) attitude and experiences in the transfer/ application of western management technology to Kenyan organizations.

The sample of eight management consultancy firms studied was not statistically drawn[27] but was purposely selected to represent major characteristics of the consultancy industry in Kenya such as local and foreign ownership, different areas of specialization and different sizes of firms. Selection was also influenced by the firms' willingness to participate in the study.

All the consultancy firms studied were operating in Nairobi, the capital city of Kenya and the centre of social, political, educational and economic activities in the country. Nairobi was considered to be representative of most consultancy firms in Kenya on the assumption that most firms operating in smaller towns were branches of those in Nairobi, and that the latter had access to and could offer information on smaller town consultancy cases. Besides, there were financial and time limitations.

In preparation of the data collection exercise requests to participate with a brief introduction on the study and arrangements on the date and time of interviews

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[27] At the time this study was conducted, the writer could not obtain literature on the population of management consultancy firms practising in Kenya.

were made with top management over the telephone. Managers who needed greater details were visited. This approach ensured a quick response and was considered to be convenient for the busy consultants.

Interviews were conducted by the writer with the use of a guide and on average each took about fourty-five minutes to an hour.

Part B

This section of the study comprised mailed questionnaires sent to seven hundred and fifty (750) companies all over the country.

The questionnaire was designed with use of data collected in the first part of the study. It tried to elicit the following information:

(i) level of use of management consultancy services in the country;

(ii) type of consultancy services used during 1975-1980; and

(iii) assessment of management consultancy services used.

The population studied at this level was the member companies of the Federation of Kenya Employers excluding those classified under local government. The sample was drawn through simple statistical method by arranging names within classified industries in alphabetical order and numbering them serially. Companies with odd numbers formed the first sample (i.e. 50% of the population). These were nine hundred companies (900), but some did not have their postal addresses registered in the directory and with their exclusion the final sample came to seven hundred and fifty companies. It was assumed that those companies left out (i.e. 150) were randomly spread and thus were ignored.

Each of the sample companies was given a code number for the purpose of follow up, and this was lightly marked on the questionnaires before they were dispatched. The questionnaires were sent with introductory letters and self addressed stamped envelopes to general managers. Within a time lag of three weeks a response rate of 25.7% had been received. In addition, 1.4% of the questionnaires were returned without responses. In some of the latter cases management had felt that the questions asked elicited confidential information in some others the companies were non-existent, probably had ceased operation.

After three weeks from the time the questionnaires were dispatched, follow-up letters (reminders) were sent to a randomly selected thirty companies from those that had not responded; 36.6% of these responded. These responses were kept separate for analytical purposes. It was assumed that this group represented all those companies that did not respond on the first instance.

Part C

Three case studies were carried out among prominent consultant client organizations. They were carried out during the time the researcher was waiting for responses from the mailed questionnaires. This was considered a reasonable sample size (14%) since they were to be studied in detail and in light of financial and time limitations.

A list of twenty one companies given by consultants as prominent clients was compiled. Selection was based on the company's willingness to participate in the study.

Case studies were conducted with the use of an interview guide designed to elicit the following data:

(i) brief history and background information on the company;

(ii) detail on occasions the company had used consultancy services during the years 1975-80 and management's evaluation of the services, and

(iii) management's attitude and experience on the application of western management technology to Kenyan organizations.

In preparation for the studies introductory letters giving details on the type of information needed were sent to ten companies. They were requested to write back and indicate the company's willingness to participate in the study and to identify heads of departments to be interviewed. It was considered necessary to give the type of information needed in the study at this level because some of it was not the 'fingertip' type of information.

The case-studies were conducted by the writer. A total of eight managers were interviewed in the three companies and each interview took approximately one to one and half hours.

2.2 Analysis of Data

Data analysis is built on the five propositions given at the end of the following chapter. Descriptive statistics was used and the data is presented in tables.

The contribution of management consultancy was assessed by identifying its areas of activity, its level of use and client organizations' evaluation of services used during the period between 1975-80. At the case study level, consultants' reports and recommendations were also used.

Assessment of management consultancy as a form of transfer of western management technology to Kenyan organizations was based on reported services offered and consultants' attitude towards the transfer. The observed facilitating and constraining factors to the transfer process in the Kenyan environment are reported.

C H A P T E R IV

4. THE FINDINGS OF THE STUDY

The findings are reported under three parts: first, the structure of the management consultancy firms; second their contribution to management resources focusing on areas of activity, level of use and extent of transfer of western management technology to Kenyan organizations; and lastly, the observed facilitating and impeding factors to the transfer process in the Kenyan environment.

4.1 The Structure of Management Consultancy Firms

Eight management consultancy firms were studied out of which four were foreign-owned, operating as multinationals through either subsidiaries or associates. Three were local-owned firms also operating on multinational level through associates. One was a semi-public institution.

Table 1: The Structure of the Management Consultancy firms

Management consultancy firms	Type of ownership	No.of years in operation in Kenya(1980)	Size by No. of profess-ional staff	No.of Kenyan Profe-ssionals
a	Local	11	5	3
b	Local	14	21	16
c	foreign	12	5	1
d	foreign	34	3	-
e	foreign	7	7	2
f	local	4	28	15
g	foreign	30	8	3
h	semi-public	9	14	10

From table 1 it can be observed that only two firms had been operating in Kenya for more than fifteen years and both were foreign-owned. The average number of years in operation was fifteen ranging between four and thirty four. On the whole the table shows that local-owned firms had relatively less years in operation; the three had only 24% out of the total one hundred and twenty one years of operation of the eight firms studied. Besides, foreign-owned firms reported that they had been in the consultancy business abroad for longer period before they started operations in Kenya. For example one of them had started consultancy business in Britain in 1926 and opened offices in Kenya in 1946, compared to the oldest local-owned firm that started operations in 1966, fourty years later.

Consultancy firms were operating on a limited scale with five firms employing less than ten professional staff. All four foreign-owned firms fall in this category with only 25% out of the total ninety one professional staff in the eight firms studied. In all the consultancy firms studied, it was found that they called on fellow associates and or tendered to other firms, and employed on short-term and part-time contracts in case of work being more than the available staff could handle.

The largest firm employing twenty-eight professional staff was locally owned. It reported having started operations in 1976 but founded on a solid financial and administrative infrastructure and had managed to secure big consultancy assignments from governments in Southern and Eastern Africa; in the process it was able to build a large staff although 71% of them were operating on part-time basis. This firm showed a big number of professional staff also because its headquarters are in Nairobi.

Forty-five percent of the professional staff were foreigners, with 49% of them practising in locally owned firms. The consultancy firms indicated intention to recruit and train local professional personnel but they pointed on scarcity of the required manpower as a drawback. Mwaniki made a similar observation when he wrote:

> The few people with skills are drawn into seemingly more important jobs of managing enterprises and government administration, running plants and teaching at schools and universities.[28]

From the interviews conducted in consultancy firms, local-owned firms were experiencing a number of growth problems but only three will be examined here. Firstly, they were in poor competitive position with fewer market contacts and less consultancy experience compared with foreign owned firms. The local-owned consultancy firms complained that foreign agencies had preference for own national

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[28] Mwaniki, N., "Development of indigenous consultancy organizations in Eastern and Southern Africa: A Survey", April 1979.

consultants. Government institutions too employed foreign-owned consultancy firms through long-standing contracts. In addition private local firms preferred foreign-owned firms as remarked by one consultant:

> "African managers have illogical bias in favour of foreigners..., they think they are always superior".

Table 2 below compares sources of consultancy services used during the period between 1975-80. Contrary to local consultants' observation, the table shows that local-owned firms were the most used in all management consultancy areas except in strategic planning and control systems.

Table 2: Areas of Management Consultancy and Sources of Consultancy Services Used 1975-80 in Number

Type of Consultancy Firm Used / Management Consultancy Services	Local-owned firm	Foreign-owned firm	Company Hqs.	Others*
Solving technical problems	28	14	12	3
Strategic planning	-	4	6	-
Organizational design	9	2	6	4
Organizational policies & procedures	14	6	7	3
Control systems	7	6	9	-
Financial management	11	4	3	3
Manpower development	5	2	2	2
Management information systems	5	3	5	-
Industrial relations	10	-	1	1
Legal aspects of business	15	3	1	1
TOTAL	108	44	52	17

*Others include sources like the university, banks, lawyers etc.

Overall,out of a total number of reported occasions of use of management consultancy services (n = 221) 49% were serviced by local-owned firms as compared to 20% serviced by foreign -owned firms, 24% serviced by corporated headquarters, and 8% serviced by other services. Locally owned firms were especially used in industrial relations and legal aspects. However, further analysis of the data revealed that some client organizations which indicated use of locally owned firms had actually used sources like government ministries, institutions like Kenya External Trade Authority, associations,for example,Kenya Association of Manufacturers and non-professional management consultants like lawyers rather than private business locally owned consultancy firms as opposed to foreign-owned. Table 2 therefore does not give a clear picture on the major source of professional business consultancy services. The table, however, shows that company headquarters or 'in-house' services was a major source especially in strategic planning and control systems. Further it should be noted that the responses in table 2 cover only member organizations of the Federation of Kenya Employers. It excludes some consultancy service users like foreign agencies and government ministries although as reported in the following section the two are major usesrs.

The second problem is the scarcity of indigenous professional manpower required in the industry. Local firms felt that indigenous consultancy activity would ensure greater relevance in handling local development. This problem has already been reported on.

Lastly, although the local-owned firms claimed to be more conscious of local management problems than foreign-owned firms, they lacked an organized collection of literature (body of knowledge) on African management on which they could claim expertise. It was observed that they, just like the foreign-owned firms, based their practice on western management technology and standards. This observation is reported on in the following section.

In summary, the management consultancy industry in Kenya was in its youth stage, the average years of operation was fourteen ranging between four and thirty four. Most firms were operating on small scale with the average number of professionals given as 11 and more than 50% working on part-time contracts. It was observed that the provision of management consultancy services was shared by company head offices ('in-house'), government institutions, employer's associations and others besides business consultancy firms. The following part examines the contribution of management consultancy.

4.2 The Contribution of Management Consultancy in Kenya

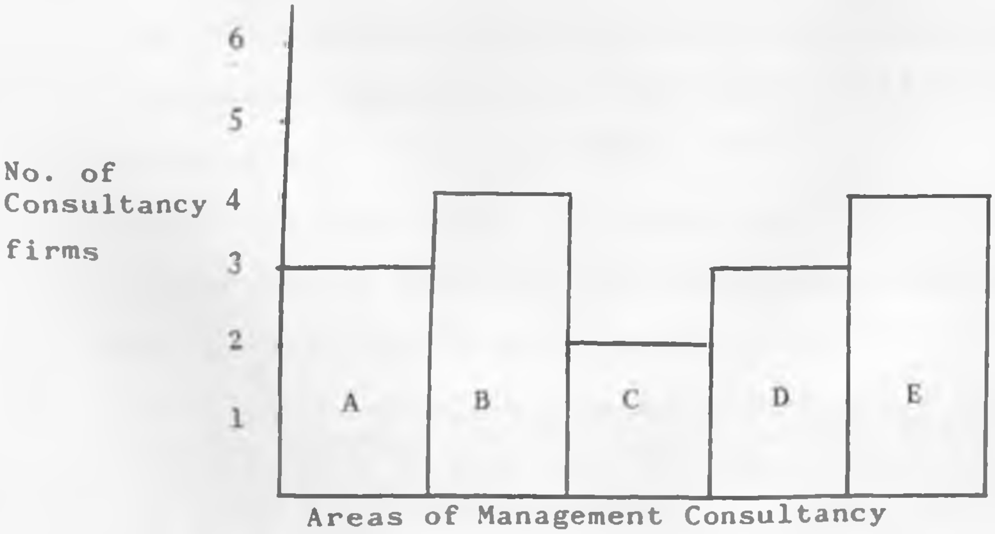
This study set out to find the major areas of management consultancy activity, the level of its use and its role in the transfer of western management technology to Kenyan organizations.

4.2.1 Areas of management consultancy activity

Consultancy firms were asked to state their major areas of activity, and at the questionnaire level organizations which had used consultancy services between 1975 and 1980 were asked to indicate the areas in which they sought management consultancy services and the number of times they did.

Figure 2 represents responses from the consultancy firms. The most widely practised consultancy areas in order of importance were managerial economics, accounting and financial management, management training, and recruitment and selection. Others include job evaluation and salary structures, marketing research and computer services.

Figure 2: Areas of Specialization of Management Consultancy Firms.



A - Accounting and financial management

B - Managerial economics

C - Recruitment and Selection

D - Management training E - Others.

Four out of the eight (50%) consultancy firms studied gave managerial economics as their areas of specialization. They were specifically undertaking feasibility and evaluation studies. These firms also indicated that their major clients were foreign agencies funding various projects in the country, for example the Swedish and Norwegian International Aid Agencies, the World Bank, and government institutions. Accountancy and management training were the second important consultancy services. Most of the accounting consultancy was related to periodic auditing of companies accounts and design of control systems. One consultant pointed out that in a country like Kenya, where management consultancy is not an old management tool, accounting services were more easily recognised by managers because they relate to the profit and loss position of the company. Secondly, it is a legal requirement for companies to regularly employ certified public accountants to audit their books.

Management training as a consultancy service area was organised at top management, middle management, and supervisors. A widely held attitude by consultants towards training services can be summarized in the following remark made by a consultant :

> "Some people have been pushed to managerial posts through government's efforts to localize management. Many of these people have poor educational background and lack in managerial skills ... It is our task to train them".

Recruitment and selection was another popular consultancy service. Here the consultant advertises vacancies and carry out first-hand selection of candidates using such techniques as aptitude tests on behalf of the client organizations. In most cases, the consultant left the client with the freedom to carry out the final selection. Through such services the consultant provides the client confidentiality and impartiality.

As can be observed from table 3, the most widely used management consultancy services by the business organizations in the whole of Kenya regardless of number of times used were technical (accountancy and production), followed by policy analyses, management control systems, financial and tax analyses and, organizational design. The most frequently used consultancy services were again in the technical area, followed by business legal aspects, and financial and tax analysis.

Comparing responses from the consultants and client companies, both agreed that accountancy was a major consultancy area, although table 3 is less representative since it excludes some consultancy clients (the population studied at the questionnaire level excluded major users as foreign aid and loan agencies, and government ministries.

Table 3: Management Services and Number of Times Companies had used Consultancy Services in the Period 1975-80 (n=193)

Management Services \ No of Times	0	1	2	more than 2	Total
Solving technical problems	-	20	10	27	57
Strategic planning	-	4	2	4	10
Organizational design (structure)	-	18	2	1	21
Organizational policy analyses	-	15	6	9	30
Management control systems	-	14	6	2	22
Financial and tax analyses	-	5	1	15	21
Manpower planning and development	-	9	0	2	11
Industrial relations	-	8	0	4	12
Management information systems	-	9	1	3	13
Business legal aspects	-	1	1	18	20
Others	-	3	1	8	12
Total	129	106	30	93	-

From table 3 it is clear that use of management consultancy services among Kenyan business organizations was greatly in the field of technical problems especially accounting and production operations. It is also clear that planning was the least used management consultancy area. This supports the proposition drawn from the literature review that management consultancy services in Kenya are biased towards problem solving than long-term development aspects. Use of services in economic management areas as feasibility studies and project evaluation was reported among foreign aid and loan agencies and government institutions.

At the questionnaire level client organizations were asked to give the major reason why they had to use consultancy services. Over 50% (n = 33) indicated development and expansion, 38% indicated manpower shortage and 35% existence of management problems.

4.2.2. Level of use of management consultancy services in Kenya.

According to management consultants, the major users of their services were government ministries and parastatal organizations, foreign loan and aid agencies and charity organizations, and to a lesser extent multinational firms and local business organizations. Fifty percent of consultancy firms surveyed indicated that the government of Kenya comprised about 40% of their clients and 38% indicated that foreign agencies were major clients. It was generally reported that small local business firms hardly used consultancy services.[29]

At the questionnaire level, during the period 1975-80, management consultancy was used by only 33% (n = 193) out of 25.7% of the business organizations that responded to the mailed questionnaire. Generalizing from responses of organizations that

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[29] At the time this study was designed it was not known that business organizations were not major users of consultancy services. Exclusion of government institutions and foreign agencies (named by consultants as major users) meant poor representation of users of these services in this study.

were sent reminder letters, the majority of organizations that did not respond to the questionnaire on the first instance had not used the services. If one can generalise from the latter statement, the level of use of management consultancy services among member organizations of the Federation of Kenya Employers (excluding local government) was as low as 9%.

Asked to indicate their level of activity the consultants too indicated that it was low. They explained that most of their work was within a few old client organizations. It is possible that much of their work was related to past consultancies since, as can be observed in table 3, 56% of the reported cases of use of consultancy services fall in the category of used more than once in a specific management area.

The level of use of consultancy services by multinational firms operating in Kenya was reported to be low. One manager remarked that they used 'outside' consultancy for personnel recruitment and selection, and in other cases used corporate advisory services. His remark is supported by data in table 2.Here it is clear that corporate headquarters was the second important source of management consultancy services, performing better than foreign-owned firms, among member organizations of the Federation of Kenya Employers. The table shows that these firms used corporate headquarters' services especially in management areas like strategic planning, control systems, and even in technical areas.

Here below are comments made by two managers working in multinational firms:

> "Our industry is highly specialized and as a subsidiary of the largest firm in Europe the best consultancy service is obtained from there".

> "Being a member of a world group we make extensive use of the group research and training resources and so have not found it necessary to use the services of management consultants here."

The consultants generally felt that large business organizations formed a larger portion of their clients than small business organizations. This can also be depicted from figure 3 on the relationship between the size of the organization by number of employees and use of consultancy services. While 36% of the small organizations (i.e. less than 500 employees) had used consultancy services, 86% among the very large organizations (i.e. over 1500 employees) had consultancy services during the period 1975-80. This finding is in congruence with Krentman's[30] and the proposition drawn that there is a positive relationship between the level of use of consultancy services and the size of the firm,[31] although in this study the level of use tended to reduce among middle sized organizations.

An attempt was made to examine the relationship between the use of consultancy services and the nature of industry and number of years in operation. In both cases no clear relationship was drawn although it was observed that there was more users in the manufacturing/ processing industry than in the service industries and none in construction.

Below are some of the observed factors to account for the low level of use of management consultancy services in Kenya

It was observed (as is already reported) that the practice of management consultancy was new and many managers were not aware of it. The following quotations are examples of comments written by managers of 'non-user' organizations.

> "We have no knowledge of consultancy services, we would very much like to know more about it, in particular their charges, where to contact them and how to make use of them".

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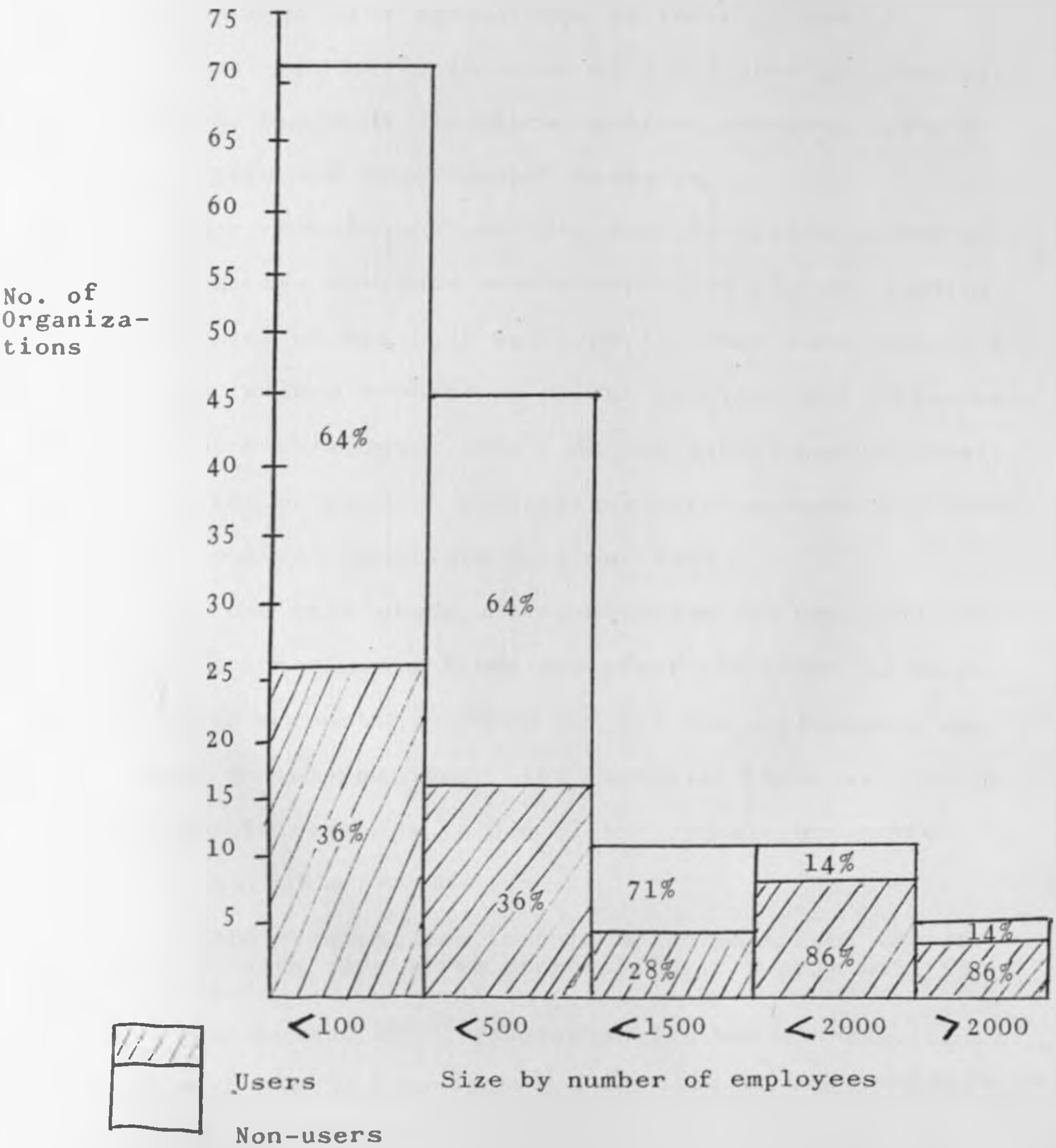
[30] Krentzman, op.cit.

[31] From the precentages in figure 3 it is clear that there was a positive relationship between use of management consultancy services and size of organization even without carrying out a significance test.

Figure 3: The Relationship between Use of Consultancy Services during 1975-80 and Size of the Organization



Note: Organizations (42 of them) that failed to indicate their sizes by No. of employees are not included in this graph.

> "There is a vacuum felt by local businessmen in the field of meaningful and appropriate consultancy services. May be we do not know where to find these services; you may kindly advise".

It was noted that consultants carried out limited (if any) sales promotion activity. Out of sixty-four organizations that had used consultancy services in this study, only 3% gave consultants as their source of initiative; the rest, in order of importance gave managing directors, board of directors, general managers, company headquarters and departmental managers.

Poor consultancy services and the corresponding managers' negative attitude were observed as factors leading to low level of use. It was reported that some consultancies ended up in long reports on client problems and recommendations which were never used. At the questionnaire level, 17% of the respondent consultancy service users reported having received unsatisfactory services.

In one case study, an organization had employed three different consultancy firms one after the other to help update its accounting system but had not implemented any of their recommendations. The quotation below written by a manager in response to one of the consultants shows this organization's attitude:

> "This organization is unique and we cannot buy it a ready made three piece suit; it simply will not fit".

This organization had organized an 'in-house' consultancy department and the management felt that it was more effective than 'outside' consultants.

Two other organizations had equally negative attitudes towards 'outside' consultancy work as reflected in the following remarks:

> "Consultants always find something wrong with a system because that is how they make money ... It is a business in itself, they just want to make profit on us."

> "Consultants advise but normally they do not remain to see the results ... They do not take responsibility of the outcome.... They may for their own purpose make unrealistic recommendations even if this is not to the benefit of the client company".

> "Once they are called in they do not want to get out .... They do very little work and try to make themselves indispensable."

13% of the organizations that responded to the questionnaire wrote complaints about high consultancy charges. Here below are quotations of comments made by three managers.

> "It has not been necessary to use a consulting agency as we tend to do our own surveys. This is due to the expense factor."

> "The first consultancy firm we used was found very expensive.... and we have not bothered to use more of their services."

> "Small businesses require consulting services but it is difficult to hire these services because of their charges; I would suggest a pool of consultants to be set up by the government, where small scale businessmen can go and pay minimal charges."

The above findings support the proposition that the level of use of management consultancy services in Kenya was low, and that costs/charges was one of the reasons for this, but reluctance to accept change on the part of managers did not seem to be a prominent factor.

4.2.3 Management consultancy as a form of transfer of western management technology.

Asked to indicate whether they thought that western management technology is transferable to Kenyan organizations, all the consultants interviewed said that it was transferable. They generally pointed on the difference in (management) environmental conditions between the developed 'west' and Kenya (Africa). For example, the difference in the general level of education and business understanding, availability of skilled manpower and socio-cultural values, but these were regarded as barriers to be overcome in time other than requiring different management approach.

Only one out of the eight consultancy firms studied claimed to have designed a management programme different from the one evolved in the western developed countries to suit the conditions of its clients in Kenya and Africa as a whole. This was a locally owned firm and had designed a standard aptitude test to suit African cultural and intellectual expectations. However, from the writer's view this programme retained the basic western cultural assumptions - individuality and merit, as opposed to the African values - communalism and nepotism.

The following expression by a senior consultant in a firm running country-wide management training courses, represents the attitude of many consultants towards their role as management advisors:

> "Our firm always sends some of our training staff abroad to train in modern management techniques which the managers here may be unfamiliar with but are vital in their role as business decision and policy makers".

To compare foreign and local consultants in the transfer of management technology, there was no observed difference although the local consultants claimed to be more conscious of local problems and capable of providing more relevant solutions/advice to African conditions. A local consultant admitting the transfer said, "We go to organizations all too ready to be westernised, that is what they want." In fact there was lack of an organized body of knowledge on African management on which they could base their practice. This finding is contrary to the proposition that indigenous consultants are more sensitive to local conditions and are less active vehicles in the transfer of western management technology, but it is consistent with Mwaniki's[32] observation on African managers that they were no better than foreign managers in the transfer process.

The foreign consultants on the other hand, saw their role as that of teaching African managers modern (western)

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[32] Mwaniki, op.cit.

management practices and skills despite any constraints, as one consultant put it when asked to comment on the transfer:

.... the biggest problem is apathy .... Africans have developed a 'do not care' attitude towards efforts to learn and apply modern management methods.

If it can be assumed from the above reported findings that all consultancy recommendations to client organizations between 1975 and 1980 were basically a form of transfer of western management technology, the extent of transfer (though limited by the low level of use) can be assessed from the level of acceptance and implementation of consultants' recommendations.

Table 4: Extent of Transfer of Western Management Technology to Kenya Organizations by Consultants.

Experience	Clients Orgs. in %
All recommendations accepted and implemented	12.5
All recommendations accepted and some implemented	11
Most recommendations accepted and some implemented	54.7
Some recommendations accepted and some implemented	7.8
Some recommendations accepted and none implemented	3
None of the recommendations accepted	11

Table 4 shows that 12.5% of consultancy users reported total adoption of their recommendations but the majority, 54.7% reported controlled levels (most recommendations accepted some implemented). 11% of the users reported total rejection. An example of cases of such total rejection of consultancy recommendations is reported(see p.44).

It was observed that most organizations that reported high level of acceptance/implementation of management consultants' recommendations had used services in relation to technical areas. To some extent, this suggests that technical areas of management are more easily transferred than the organizational and human side of management. This is probably because the technical aspects of management are built on rational science while organization and the human aspects mainly carry socio-cultural assumptions.

Table 5 shows that the majority of client organization managers perceived some value both in monetary and organizational development terms from consultancy services received between 1975-80. 75% and 91% reported having received average or above average value in monetary and organizational development terms respectively.

Table 5: Client Organizations' Valuation of Management Consultancy Services received during 1975-80 in Monetary and Organizational Development terms

Clients' Valuation	Monetary	Organizational Development
Extremely valuable	8%	10%
Very valuable	30%	45%
Of average value	37%	36%
Of limited value	24%	7%
Of no value	2%	2%

This report agrees with Johnston's[33] study finding in Great Britain that management consultancy services had positive contributions. It also agrees with Cotton's[34] observation that the transfer of western management technology to less developed areas has economic advantages. However, Cotton added that better degree of success can be achieved by firms that carry out proper adjustment to local social systems.

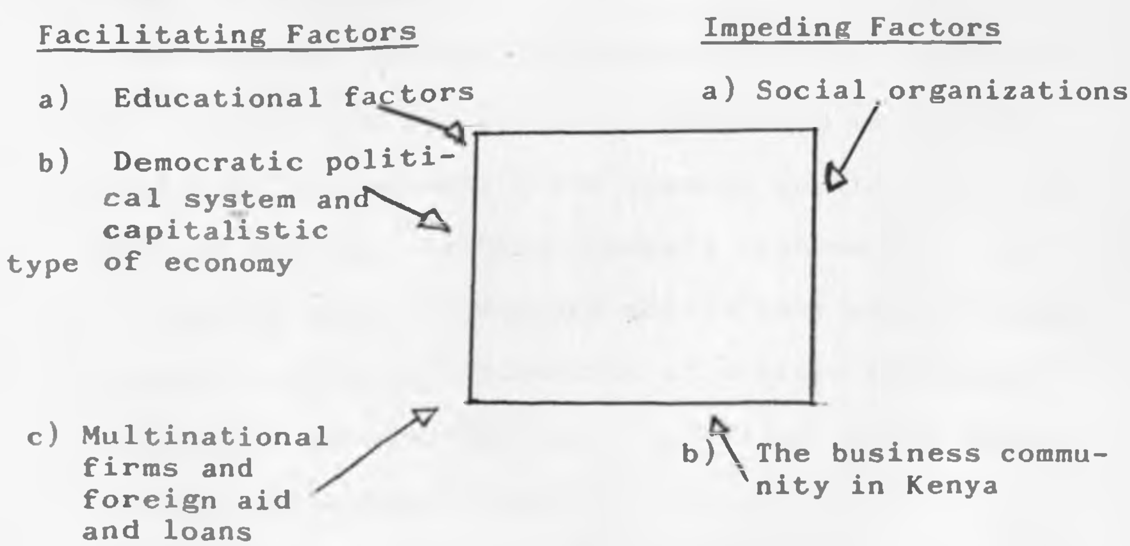
[33] Lyall D, op.cit.

[34] Frank Cotton, op.cit.

4.3 Facilitating and Constraining Factors to the Transfer of Western Management Technology to Kenya Organizations.

To the extent that western management technology has been transferred to Kenyan organizations (by consultants and other forms of transfer) there are some facilitating and constraining factors. The factors observed in this study are given in figure 4 below.

Figure 4: The Facilitating and Impeding Factors to the Application of Western Management Technology to Kenyan Organizations



The educational factors: all the management consultancy firms studied based their practice on western management principles and concepts. While it can be argued that Africa management[35] is also practised since our

[35] Management practises based on African value systems and investment.

grandfathers planned, organised, staffed and co-ordinated their resources, it is clear that very little has been done to develop principles and theories which would serve as a base of African management practices. The universalistic management approach taught in management training schools advocates this approach:

Secondly, as a writer's opinion,modern education is built on scientfic rationale.Western management technology is also built on this rationale(besides the western environmental values). The spread of modern education in Kenya has therefore paved a way for the application of western management technology to Kenyan organizations.

The democratic political system and the capitalistic type of economy: Kenya's political system is relatively democratic and her economy tends towards capitalism, both are western systems. Although Kenya's systems were not totally derived from the western models they create conditions conducive to the application of western management technology because democracy and capitalism form a major basis of its value assumptions.

Multinationals and foreign aid and loans: there are many western multinational firms operating in Kenya. It was observed in this study that 24% of occasions of use of consultancy services 'corporate headquarters' were used as the source (see table 2). Through such consultancies, multinationals guide and control management practices in their subsidiaries, often based on western standards. Some loans and aid from western developed countries carry conditions set by the agencies. For example, an agency may require the recipient to establish certain management standards that may reflect the agency's value assumptions and not the former.

On the impeding side, the sociological factor: the Kenyan society is traditionally built on a community system, with respect for authority and submergence of the individual in collectivity. Although the traditional system is in transition as a result of the western influence on the society especially in urban areas, it is still intact in some aspects and many of the changes towards western behaviour and values are superficial. For example, in this study all the eight managers interviewed during the case-studies admitted that they would favour a relative (practice nepotism) if they had powers to recruit as long as he/she has the basic qualifications, despite their level of education and the fact that their organizations' management practices was built on western management standards.

The same managers, asked to rank in order of importance what they considered necessary for management development, 88% had experience and training in skills higher than educational qualification. From the writer's point of view these managers equated experience with age which they traditionally respected. Onyemelukwe[35] made a similar observation among African managers, resisting emphasis on qualification, preferring length of term of service in the organization as a basis for seniority.

A foreign consultant giving his experience on the application of western management technology to Kenya remarked that Kenyans had a different concept of leadership/authority from western societies. He explained, a Kenyan employee in a control department would be hesitant to check on a fellow employee in a higher post because of his traditional concept of leadership, yet this is expected by western management standards. He added that Kenyans and Africans as a whole, resented criticisms and establishment of controls while they are important aspects of western management systems.

The business community in Kenya is made up of large parastatal enterprises, large private multinational enterprises and a multitude of small indigenous, often family controlled firms. Some management practices in these different business organizations are bound to differ because each has different motivations. In the same

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[35] Onyemelukwe, op.cit.

respect, they ought to differ, from those developed in western developed countries, with business organizations operating in a free enterprise/capitalistic system characterized with high competition.

In agreement with the above observation, in this study, a parastatal organization that had been advised by consultants to install an accounting system similar to that of commercial undertakings reacted in the following way :

"One cannot equate .... (the organization) with a limited liability company. Our accounting system must be thoroughly selective in order to fit .... Wholesale application of the normal commercial practices obviously is wrong and must be avoided at all costs."

Negandhi observed that most western management concepts and principles were conceived and evolved as a result of the high competitive market economy.[36] They may therefore not be equally relevant in a less competitive market economy like in Kenya where parastatals, some multinationals and young local enterprises may operate in a far less competitive market conditions through government protection.

[36] Negandhi, A. op.cit, pp. 225-231.

CHAPTER V

SUMMARY AND RECCOMENDATIONS

This study examined management consultancy activity during the period 1975-80 and its role as a form of transfer of western management technology to Kenyan organizations. This was done at three levels: eight interviews were conducted in eight management consultancy firms; mailed questionnaire on use of consultancy services were sent to seven hundred and fifty (750) organizations all over Kenya; and case-studies conducted in three prominent consultancy user organizations.

The study revealed that the major areas of management consultancy practice were accounting and finance, management economics, and management training and recruitment. Management consultancy was a new service industry, the average number of years of operation of firms studied was found to be fifteen. Firms were also operating on small scale, the average number of professional staff being eleven and often on part-time contracts.

The reported level of use of management consultancy services was 33% (n = 193). However, the consultancy firms reported repeated use among a limited number of users mainly government ministries, parastatals, foreign aid and loan agencies, and a few business organizations.

In this study management consultants were found to be active form of transfer of western management technology to Kenyan organizations. However, limited by the low level of use of their services (33% reported level of use) and users' level of acceptance/implementation of consultants' recommendations (55% reported limited level of acceptance/implementation and 11% reported total rejection). All management consultancy firms studied based their practice on western management technology (universalistic school of thought)and there was lack of body of knowledge on African management.

The contribution of consultancy services to management resources during 1975-80 based on client business organizations' valuation in organizational development and monetary terms was high. In both aspects more than 70% considered the services to be of average or greater value.

The study reports facilitating and constraining (socio-cultural and economic)factors to the transfer of western management technology to Kenyan organizations. The question here is whether Kenya should abandon her traditional values, social and economic systems and adopt western systems to fully utilize western management technology, or should she retain her identity and only adapt western management concepts and practices that suit and enrich her culture.

From this study, the writer supports the contigency theory and recommends that management consultants as advisors, together with high institutions of learning as Kenya Institute of Management, the University and others should take the lead in the development of a body of knowledge on African management. With the benefit of the knowledge on western management technology, this task can partly be reduced to identifying and adapting those aspects that conflict with African organizations and total environment. And, as far as the socio-cultural setting in Kenya and Africa in general is similar to that of Japan, specifically the communal way of life, the latter's management technology can contribute to the development of body of knowledge on African management.

It is also recommended that future research on management consultancy work should study users as government institutions and foreign agencies in order to provide a broader picture on these services. It should also try collect data on the population of management consultancy firms practicing in Kenya.

Appendices

RESEARCH TOOLS

I. INTERVIEW GUIDE - MANAGEMENT CONSULTANCY FIRMS

A. Questions relating to the Company:

- What type of consultancy services do you offer?
- How many people are in your employment?
- How many of these do the actual consulting work (professionals)?
- Do they all work on full time basis?
- How many are Kenyans?
- Is the company locally owned/subsidiary of a multinational/associate of other foreign company?
- Number of years in operation.

B.
- Which consultancy service areas does the company specialise in ?
- Whom would you say constitute your major clients (multinationals/government/local firms/international agencies)?

C. Questions relating to the transfer of management technology:

- On what do you base your management consultancy practise? (i.e. western management technology or African management technology).

- How far have modern management methods and principles been accepted here?
- If we take that most advanced management techniques have evolved in the western developed countries, would you say that those techniques are applicable to Kenyan organization? What is this company's experience?

II. QUESTIONNAIRE ON MANAGEMENT CONSULTANCY

Introduction letter

To:

....

....

....

....

Dear Sir,

Study of Management Consulting Services

The Faculty of Commerce at the University of Nairobi is currently engaged in a number of research studies. This particular study focuses on the nature and impact of Management Consulting Services extended to private and public companies in Kenya. The purpose of the study is to analyze the experience of consulting activities.

The study consists of three-phases: first, interviews conducted in consultancy firms; second, a general inventory of the experience of management consulting service; third, a series of follow-up interviews and a limited number of case studies.

Your company has been selected to participate in the second phase and we would highly appreciate if you, or any appropriate colleague of yours, would kindly fill in the attached questionnaire and return it to us in the enclosed pre-paid, stamped envelope within a week of receiving it.

Hoping that you will honour our request to complete and return the questionnaire, we extend our profound thanks in advance.

Yours faithfully,

Christine Kasekende Ms.
Postgraduate Student(MBA)

*Encl.

QUESTIONNAIRE ON MANAGEMENT CONSULTANCY

Introduction:

The purpose of this questionnaire is to help establish the scope and nature of consulting services extended to Kenyan organizations during the period 1975-80. The survey includes services aimed at long-range development, operational problem-solving as well as contract or investment negotiations but excludes individual staff development which does not form part of a wider consultancy service effort

If your company has made no use of consulting services during the period 1975-80 we would still like you to fill in your reply to Questions 8-13.

Please fill free to use the space at the end of each question to comment on any aspects of the questions that help to clarify your answer. For comments on the questionnaire use the space at the last page.

1. Please put a check mark (x) to indicate the number of times consulting services have been used since 1975 in any of the following fields.

NOTE: If there is any overlap please check the category which most closely identifies the field in which consulting services were applied.

	None	One	Two	More
a) Solving technical Problems				
engineering	....	....	....	.....

	None	One	Two	More
- Production (operations)	....	....	....	....
- accounting(financial management)	....	....	....	....
- Other(specify)	....	....	....	....
b) Strategic planning: (consideration of long-range objectives and deciding what resources will be devoted to their accomplishment)	....	....	....	....
c) Organisational design (re-organisation)	....	....	....	....
d) Organizational policies and procedures:				
- related to personnel	....	....	....	....
- related to finance	....	....	....	....
- related to marketing	....	....	....	....
- Other (specify)	....	....	....	....
e) Control systems:				
- budgetary control systems	....	....	....	....
- non-budgetary control systems(for quality control,etc.)	....	....	....	....

	None	One	Two	More
f) Finance, taxation, contract or investment negotiations	....	....	....	....
g) Organizational development manpower development	....	....	....	....
h) Industrial relations	....	....	....	....
i) Management information systems	....	....	....	....
j) Legal aspects of business	....	....	....	....
k) Other (specify)	....	....	....	....

Comments: ____

2. In this question, the letters from (a) to (k) refer to the type of consulting service specified in Questions One. Thus (e) stands for consulting services relating to control systems, (h) to industrial relations etc.. <u>Please circle the appropraite letter in relation to each consulting services identified in Question One</u>.

Type of consulting organisation used:

- Private firm with headquarters in Kenya   a b c d e f g h i j k

- Private firm with head-
  quarters outside Kenya a b c d e f g h i j k
- Company headquarters
  overseas a b c d e f g h i j k
- University a b c d e f g h i j k
- Other (specify)....... a b c d e f g h i j k

Comments: ______________________________

<u>In answering 3 - 8 please put a check mark (x) at the appropriate category</u>

3. Has the experience in your company been:
Satisfactory consultancy service ....
Average consultancy service: ....
Unsatisfactory consultancy service ....

4. The bulk of the consulting services used by your company in the last five years have been used to:
- solve existing problems ....
- help in dealing with new development or expansion ....
- overcome the problem of manpower shortage ....
- other (specify) ....

Comments ______________________________

5. The initiative for using consulting services in your company normally comes from:

- Board of Directors ....
- Managing Director ....
- General Manager ....
- Departmental Managers ....
- Company headquarters (holding co.) ....
- Other (specify) ....

Comments: ______________________________

6. Looking at the experience with consulting services in your company how much use has been made of these services: (<u>If experience of more than one consulting activity indicate average outcome</u>)

- All recommendations accepted and implemented ....
- All recommendations accpeted and some implemented ....
- Most recommendations accepted and some implemented ....
- Some recommendations accepted and some implemented ....
- Some recommendations accepted and none implemented ....
- None of the recommendations were accepted ....

Comments: ______________________________

7. In general, in terms of returns in monetary value and benefits for organizational development how does your company consider the experience of consulting activities:

	For Monetary Value	For Organisational Development
Extremely Valuable	....	....
Very Valuable	....	....
Of Average Value	....	....
Of Limited Value	....	....
Of No Value	....	....

Comments: ________________________________

8. How long has your company been operating in Kenya?

- less than two years ....
- 2 to 5 years ....
- 6 to 10 years ....
- 11 to 20 years ....
- more than 20 years ....

9. How many individuals are employed by your company at present?

- less than 50 ....
- 50 to 99 ....
- 100 to 199 ....
- 200 to 499 ....

- 500 to 999 ....
- 1000 to 1499 ....
- 1500 to 1999 ....
- 2000 and more ....

10. Position of the person filling in this questionnaire?

____

Date: ____________________________________

11. General comments on the questionnaire:

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III. INTERVIEW GUIDE - CASE STUDY

A. Top Management:

- Background information on the company i.e. size, ownership, products/services, level of technology, market position etc.
- Company's organization structure and philosophy.
- Concentrating on the period between 1975-80 what occasions did the company use management consultancy services? i.e. list of occasions and nature of problem/company position.

B. Details from relevant department:

- Why did the company decide to use management consultants rather than solve the problem by itself?
- How long did the consultancy assistance take? What was the cost?
- What did the consultant recommend? How relevant were the recommendations in the light of the company's resources, activities, policy and opportunities?
- Which recommendation was implemented?
- How successful was it?

C. Questions on management consultancy:

- How do you assess the management consultancy services available in Kenya?

- What are the difficulties in accepting and/or making use of management consultants?
- Have you found any problems in implementing recommendations by consultants? Which?

D. Questions on transfer of management technology:

- Which of the following three factors: education, training (in relation to skill) and experience is more likely to make employees of importance for management development purpose?
- How far has the sociological factor (i.e. traditional systems/ways in the country) influenced management practice in your company and Kenya in general (e.g. practice of nepotism when recruiting employees)?
- Are there any economic factors in Kenya that have influenced management practice in your company? How?
- Has the political set up in Kenya influenced management practices in your company? How?
- If a multinational subsidiary: Are the management techniques/practices in this firm different from those of a sister company abroad? Which and why?

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