

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND  
TECHNOLOGY, KUMASI  
COLLEGE OF ARCHITECTURE AND PLANNING  
DEPARTMENT OF BUILDING TECHNOLOGY**



Empirical Parameters for Assessing the Performance of Consultancy firms in  
the Procurement of Construction Projects in Techiman, Ghana

By

**FREDERICK AMOAKO SARPONG**

**(PG7176112)**

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requirements for the award of a degree of Master of Science in Procurement  
Management

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## DECLARATION

I do hereby declare that this submission is my own work towards the MSc. And that, to the best of my knowledge, it contains no material previously published by another person or material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

**Frederick AmoakoSarpong** .....

(Name and PG)

Signature

Date

(PG7176112)

**Certified by:**

**Dr. D. K Ahadzie** .....

(Supervisor)

Signature

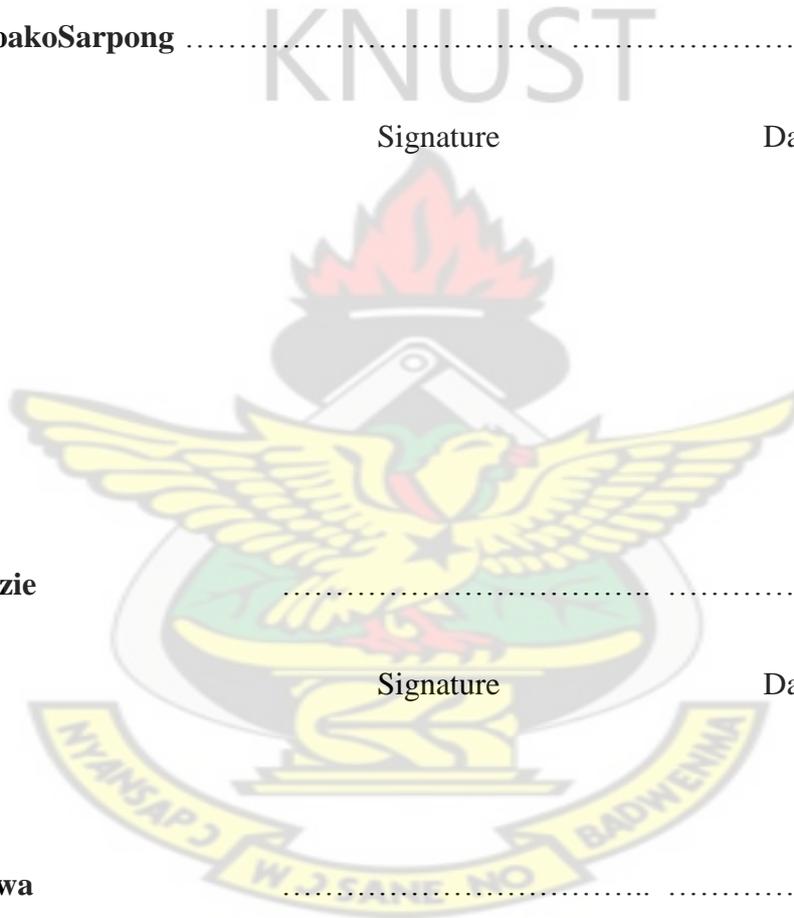
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**Prof. J. Ayarkwa** .....

(Head of Department)

Signature

Date



## DEDICATION

I dedicate this work to the Almighty God who has given me the grace and strength to go through this study and to the Amoako Sarpong family who supported me in diverse ways.

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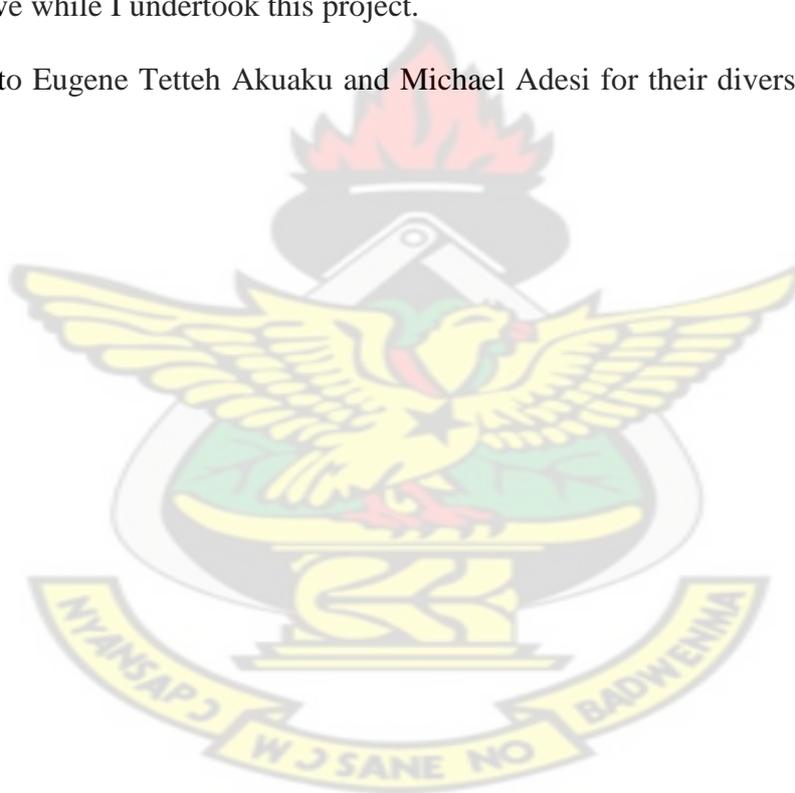
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## ABSTRACT

The art of consulting has existed for many years now. Its main aim is to offer advice to clients in order to find solutions to problems confronting them in many dimensions of corporate, governmental and on social issues. Consultants are normally engaged to render services of varying degrees to their clients depending on their capabilities. One area of operation which has immensely consumed the services of consulting is the construction industry. In spite of many services that consultants provide to the construction industry in terms of project supervision, design and many others; the performance of consultants has been called into question several times as clients do not realize value for their money in the engagement of consultants. This study sought to devise parameters that would be adopted in the measurement of consultants' performance in terms of construction projects. The study adopted the quantitative approach with a sample size of 72 yielding a response rate of 90 per cent. The SPSS was used in processing the data and key statistical tools such as the chi-square test, and the Relative Importance Index (RII) were used in analyzing the data. The study unfolded challenges confronting the performance of consultants as failure to establish rapport with the client; taking the client for granted; lack of effective communication; and lack of flexibility on the part of both the client and the consultant during consultancy service delivery.

Consultancy performance indicators and performance process must be identified and agreed upon by all stakeholders; and Consultancy performance measurement must be aimed towards the reformation and refinement of the consulting processes and the achievement of clients' satisfaction leading to value for money.

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# **CHAPTER ONE**

## **GENERAL INTRODUCTION**

### **1.0 INTRODUCTION**

This chapter concentrates on the general introduction of the research study. It focuses on key issues driving the research. The thematic areas of chapter one include background to the study; problem statement; research questions; and research aim and objectives. Other aspects of chapter one comprise of the research methodology; research scope; the significance of the study; and research organization.

### **1.1 BACKGROUND TO THE STUDY**

The consultancy industry has existed for so many decades since its emergence in the USA in about 1886 when Arthur D. Little established the first consulting firm (Owusu-Manu et al., 2012). The industry has evolved to cover many areas of human endeavour throughout the world. Consultancies are perceived to be advisory services entities that offer solutions to problems of clients. Consultancy firms manage projects notably construction; urban planning; project management; marketing, Management *inter alia* (World Bank, 2002).

Consultancy firms in Ghana have offered services to clients in Ghana and elsewhere in the world after being selected largely through competitive procedure following laid down criteria upon which they are awarded projects. In consideration for their services, clients pay consultancy firms for their services rendered to them. The crux of this research is to formulate a criteria upon which the performance of consultancy firms can be assessed in public sector procurement in Ghana with regards with to construction works.

The Procurement Act (2003) has widely recognised the role of consultants in public sector project delivery in diverse forms especially in the delivery of construction projects. The

Procurement Act of Ghana further stipulates some criteria for the selection of consultants but is clearly silent on the mode of their performance assessment.

Over the years numerous research works have been undertaken regarding consultancies; key among them include Greiner and Metzger (1983) conducted a study on Consulting to Management; Consulting Engineers South Africa (CESA) (2009), Procurement of Consulting Engineering Services in the Construction Industry; APEGGA (2005), Development of Consulting Rate Structures and Contracts; Niewien and Richter (2004), the changing balance of power in the consulting market; Schein (1990), process consultation: its role in organizational development; and (The) World Bank (2002), consulting services manual: a comprehensive guide to selection of consultants; Owusu-Manu *et al.* (2012), conceptualization of the consultancy pricing paradox. From the above exposition regarding theoretical development as far as previous research on consultancy is concerned, it is clear that significant amount of work has not been done on the criteria for the measurement of consultancy firms' performance in their service delivery to client to warrant value for money especially within the Ghanaian consultancy milieu. It is therefore appropriate and opportune for an empirical study on the criteria for assessing the performance of consultancy firms in public procurement to be conducted.

## **1.2 STATEMENT OF THE PROBLEM**

The consultancy industry has been criticized for failing to deliver value services for its clients. Previous research works have noted serious performance lapses in the consultancy industry to the extent that Ormerod (1997) noted that consultants are opportunists who only procure contracts only to begin crusading for new contracts; in a similar manner, De Burgundy (1995) asserted that consultants do not provide value added services to client and there is nothing remarkable about the services consultancy provides; unethical behaviours have also been identified as one of the dynamics that affect the perception and performance

of the consultancy firms(O'Shea & Madigan, 1997; Wooldridge, 1997; Ashford, 1998 &Pinault, 2000). Various unpleasant connotations have been used to describe the performance of consultancy firms for that matter consultants to include provision of unworkable or faulty consultancy advice(O'Shea & Madigan, 1997). According to Pinault (2000) clients have consistently lamented about the proficiencies of consultants to perform when compared to the fees charged for services in relation to the services rendered to clients.

The sentiments echoed by the authorities in the above previous works are not different from the sentiments of clients in relation to the performance of consultancy firms operating within the framework of public procurement in Ghana(Ofori, 2012). In some instances, the abysmal performance of consultancy firms has incurred additional cost *inter alia*for clients to grapple with in the execution of projects (Berg, 2013).The question here is: 'are there criteria for measuring the performance of consultants in construction project delivery'? There has not been comprehensive review of the performance of consultants in project delivery in Ghana.

In another development, Gyadu-Asiedu (2009) conducted an extensive study on the performance of construction projects in Ghana with much emphasis on the clients' and practitioners' perspectives. However, the study only sought the opinion of clients and practitioners in the construction industry on measures by which construction project performance can be enhanced. What is lacking in the work of Gyadu-Asiedu (2009) is the criteria for assessing the performance of key practitioners in the construction industry who are tasked to ensure the desired performance of construction projects. It is worthy to note that when there exist an assessment criteria for these practitioners in the construction industry, construction project performance will be better enhanced because practitioners (consultants) and clients would be aware of the framework within which to measure the performance of practitioners (consultants) in the construction industry. Similarly, Gyadu-Asiedu(2009, p.13) acknowledged that a comprehensive assessment of the performance of construction projects

will be ‘the aggregation of the performance of its components. Against this background, this research study is intended to investigate into the empirical parameters for assessing the performance of consultancy firms in the procurement of construction projects in Ghana, taking into consideration the projects being executed in Techiman Municipal Assembly in BrongAhafo Region.

### **1.3 RESEARCH QUESTIONS**

In reference to the objectives of the study above, the following research questions will be advanced to guide the conduct of the research leading to arriving at a conclusion:

1. What are the dynamics of the existing consultancy environment regarding performance?
2. What are the performance challenges of consultancy firms in the discharge of their services to clients?
3. What are the performance criterions appropriate for consultancy performance measurement?
4. What performance framework encompassing performance parameters will be appropriate for assessing the performance of consultancy firms in public sector procurement?

### **1.4 AIMS AND OBJECTIVES**

#### **1.4.1 Research Aim**

The main aim of this research is to empirically identify the parameters for assessing the performance of consultancy firms in the procurement of construction projects in Techiman Municipality of Ghana.

### **1.4.2 Objectives of the Study**

To achieve the above stated aim, the following specific objectives are advanced to guide the formation of a long lasting framework for consultancy performance assessment:

1. To thoroughly assess the existing practices of consultancy firms through a comprehensive literature review;
2. To identify for the challenges confronting consultancy firms in the discharge of their services to clients; and
3. To identify the performance measurement criteria for consultancy firms; To identify the performance measurement criteria for consultancy firms;
4. To establish a pragmatic criterion framework for assessing the performance of consultancy firms.

### **1.5 RESEARCH SCOPE**

Within the geographical context of its conduct, this research will be restricted to the Techiman Municipality of the BrongAhafo Region of Ghana utilizing consultancy firms that are engaged in the supervision of public construction works. The scope in terms of desk survey will be restricted to published books and peer reviewed journals that have been published on performance, public procurement, and consultancy among others. The internet will also be used in searching for existing theories relating to the research in order to be abreast with current information on the subject matter under investigation.

### **1.6 RESEARCH METHODOLOGY**

The philosophical underpinning of this research will be the positivism adopting the quantitative approach with deductive reasoning. In leaning towards the positivist philosophy, this research study will appropriately adopt the survey method in the collection of

quantitative data. The sampling frame consisted of consultants, engineers, planners and directors of various state institutions in the district.

### **1.7 RESEARCH SIGNIFICANCE**

This research is of much significance to the government as the major client of consultancy firms in public procurement as it will ensure an enhanced performance from consultancy firms to ensure value for money in all public procurement engagements. The corporate world is always taking a cue from the dealings of governments to tailor some of their operations along; it therefore means that this study has the potential of igniting a massive revolution in the way the performance of consultancy firms are assessed in the various sectors of the economy. In the academia, this study will uncover some of the knowledge areas unexplored in within the pedagogy of procurement programmes and courses to improve teaching, learning and research.

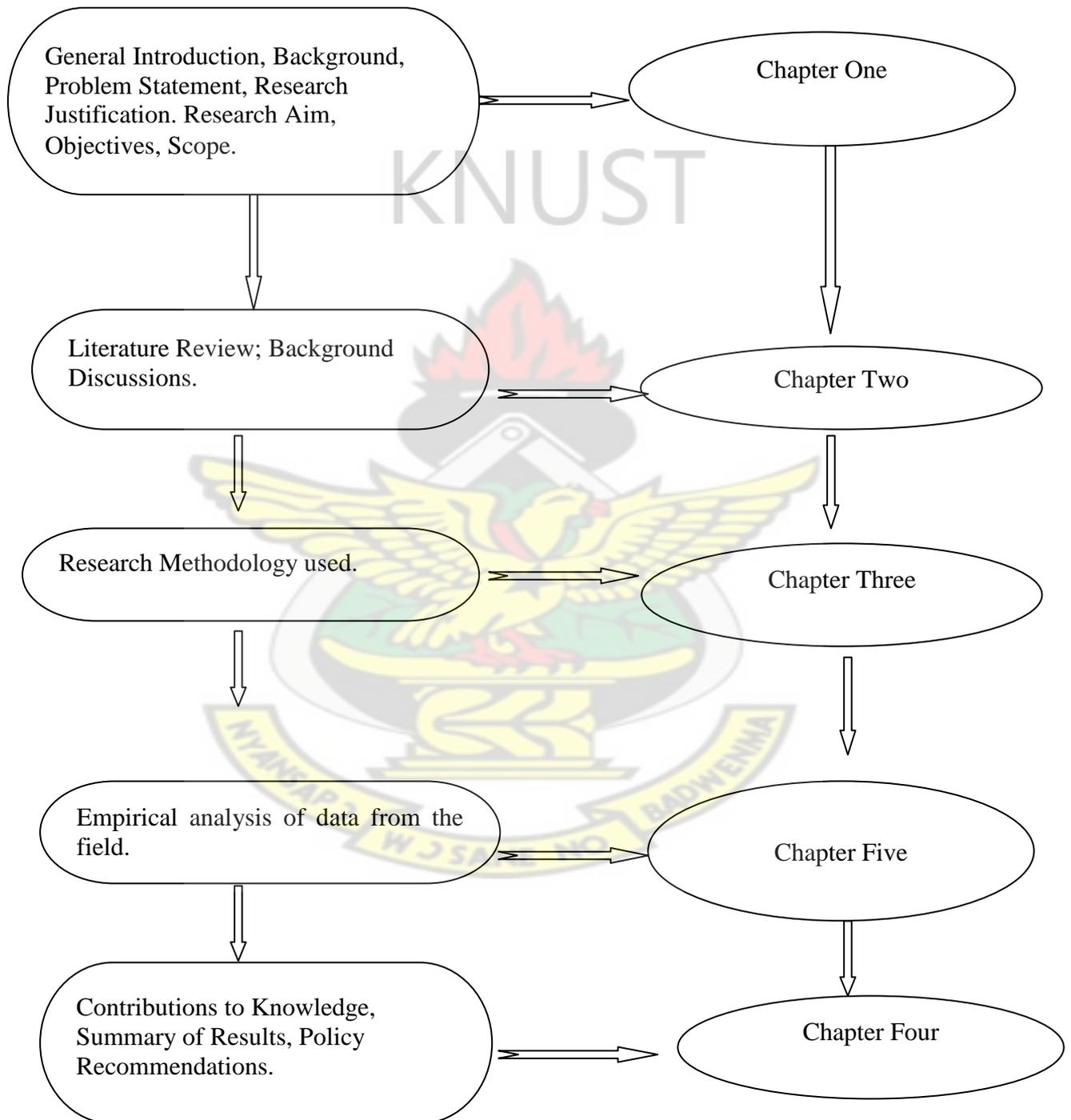
### **1.8 ORGANIZATION OF THE STUDY**

This research is organized into five interrelated chapters. Chapter one concentrated on the general introduction of the research. Key areas that were addressed included background to the study, statement of the research problem, aims and objectives of the study, research questions, justification of the research, significance of the research and research methodology.

Chapter two was solely dedicated to comprehensive literature review adopting the philosophical position of realism by ensuring that majority of extant literature is review to chart a path that is appropriate for the research.

Chapter three was clearly dealt with methodological dimension of the research and was comprehensively highlight the research philosophy, research design, methods, sampling, research instrument design and administration and data preparation for analysis.

Chapter four was delved into the presentation of data and analysis and discussion of results; while chapter five closed the research loop by review of research questions and objectives in tandem with the results of the research, recommendations, directions for policy formulation and future research agenda.



**Figure 1.1 Flow diagram of research process**

## SUMMARY

This chapter provided a background of the study touching extensively on consultancy practice from global perspective to local dimension. The research problem was adduced touching on the key problems confronting the performance measurement of consultancy firms in the construction industry of Ghana. Four key research questions and objectives were advanced to propel the conduct of the research. Methodologically, the research study was of quantitative dimension and leans largely to the positivist tradition of research philosophy. The next chapter is on the review of relatable literature regarding the research study.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 INTRODUCTION

This chapter concentrates on the review of extant literature to be able to know the amount of studies that have been conducted regarding the issues under investigation. Pertinent literature review borders on issues including performance measurement; the role of performance measurement; performance indicators; criteria for successful consultancy; key performance indicators (KPI) for consultancy firms; and the consultancy industry including that of Ghana.

#### 2.1 PERFORMANCE MEASUREMENT

It is clear that traditional construction project performance measures of cost, quality and time are the bedrock of performance measurement (Nduro, 2010). Performance measurement is the process of quantifying the efficacy and usefulness of previous accomplishment (Adams *et al.*, 2002 and Neely, 2002). Adding on, Hatry (2006) perceived performance measurement as the consistent measurement of outcomes and efficacy of the services provided. A profound definition of performance measurement which is apt for this research study was the one advanced by Jinet *al.* (2006) as the periodic collection and reportage of information regarding the inputs, efficiency and effectiveness of construction projects. By this definition, it is required that frequent or regular update of information is cardinal to the performance of consultants supervising the implementation of construction projects.

According to Vandeveldet *al.* (2002) performance measurement scopes include respect for time, respect for budget and technical specification, knowledge creation and transfer, contribution to business success, financial and commercial success which they referred to as the three-polar model. The seven performance measurement scopes were merged process,

economic and indirect poles which are then collectively named the three-polar model (Gyadu-Asiedu (2009).Kagioglou *et al.*, (2000) identified three main perspectives of measuring performance of construction projects as financial perspectives; the internal business process perspective; and the customer perspective.

Identifiable performance measurements are undertaken in terms of technical performance, the commercial performance and the overall performance (Cordero, 1990). The proposed dimension of Cordero (1990) for the measurement of performance does not categorically focused on the performance of consultants who are key to the delivery of construction projects. Good performance measurement is key to achieving the desired intentions of project implementation. In this light, Kim *et al.*(2008) posit eight characteristics of a good performance measurement system some of which include outcome oriented; consistency of information overtime; provides useful information to users; and quantitative in nature. The rest of the characteristics of good performance measurement entail easy interpretation, credibility, comparability and tangibility.

### **2.1.1 The Role of Performance Measurement**

The role of measuring performance are numerous; for instance the State Services Commission and The Treasury ( 2008) noted that performance measurement is necessary for understanding how the outputs you are delivering are contributing to the achievement of the right outcomes(UNDP, 2002); charting progress, to make adjustments when they are needed and to report on progress; tracking the effectiveness of initiatives and programmes over time; and to make informed decisions on what service delivery, policy priorities, capability investments and resource allocations to focus on.

Performance measurement has been instrumental in the collection and reporting information on inputs, efficiency and effectiveness of construction projects (Nduro, 2010). According to

(Kagioglouet *al.*, 2000), performance measurement is the vehicle construction firms used in judging performances of projects in relation to financial and non-financial aspects and to compare for improvements in efficiency and progress. Similarly, performance measurements are also required to monitor, forecast and control the success factors of projects. This later assertion pertaining to the role of performance measurement by (Luu *et al.*, 2007) has been supported by researchers and practitioners alike (Navon, 2005). Performance measurement allow comparisons to be drawn between success and failure for success to be rewarded (Phenget *al.*, 2006). In this study, it is important to motivate consultants to perform to the satisfaction of their clients hence it is necessary to measure their performance to determine if they merit reward in terms of fees charged for their services.

Neely (2002) also provided that, a major role of performance measurement is to establish accountability in the construction industry to allow for the ascertainment of judicious use of funds provided by the client for projects. Performance measurement is also useful to project stakeholders to evaluate budget proposal intended for strategic planning and goal setting. Further Neely (2002) added that performance measurement will enable stakeholders to ascertain the judicious use of project resources. Managers require performance measurements to make decision on the various aspects of the operations including resource management (see for instance Nduro, 2010). Performance measurements have the potential of supporting the rating of outcomes and competitiveness of programmes (Samson and Lema, 2002). Performance measurement in the construction industry provides the client with value for money; the consultant, the ability to identify the specific areas to focus on contractor performance when supervising projects; and to the contractor, an objective assessment of the strengths and weaknesses of the project to ascertain which areas need strengthening (Shenet *al.*, 2005).

### 2.1.2 Performance Indicators

Performance indicators specify the quantifiable evidence needed to be present in order to prove that an intended action which is planned has chalked the desired result envisaged earlier (Tangen, 2004). Performance indicators are preferred to measures when it is clear that factors affecting performance cannot be measured with some degree of precision (Nduro, 2010). Three key performance indicators have been identified to include cost, time and quality (Thomas *et al.*, 2002); Ugwu and Haupt (2007), (2007) have also the earlier performance indicators identified by Wang and Huang (2006). According to Nduro (2010), the three performance measures of time, cost and quality of construction projects is an evidence of the success or failure of the project. Gyadu-Asiedu (2009) and Nduro(2010) indicated that the three key performance measures of time, cost and quality are ‘lagging’ in nature in the sense that the project has to be completed before their full effect begin to manifest. The two authors contended that these performance measures should rather be leading instead of being ‘lagging.’

Interestingly, Wang and Huang (2006) argued that the impact of project performance on the memories of people is not the timely completion or completion within budget but the memories of other people involved and enduring imprints of harmony, goodwill and trust. This assertion brings into sharp focus the role of key practitioners like consultants on how well they have supervise construction to bring into reality the desired harmonies on project sites. This can be achieved by pragmatic criteria for consultants’ assessments on these matters in the implementation of construction projects which to a larger extent hinges on the performance of consultants. Nduro (2010) conceded that the traditional measures of time, cost and quality are not sufficient grounds for assessing performance in the implementation of construction projects. This assertion of Nduro (2010) is clearly in consonance with the assertion of Wang and Huang (2006) which were earlier espoused. Key generic performance

measurement indicators that have evolved over the decades include financial measures (Kangariet *al.*, 1992), client satisfaction measures (Kometa, 1995;Chinyioet *al.*, 1998), and employee measures (Bititchiet *al.*, 1994; Shan and Murphy, 1995), industry measures (Latham, 1994; Egan, 1998).

## **2.2 CRITERIA FOR SUCCESSFUL CONSULTANCY**

Key Performance Indicators (hereafter KPIs) are variables that reflect the health of an organization, and for our specific purposes, the health of its business development system; they connect the firm's goals and strategies to its activities and outcomes, keeping management informed of overall health: past, current, and future; and chronologically, KPIs are broken into two different types: leading indicators and lagging indicators (Blair, 2005). Key performance indicators means factors by reference to which the development, performance or position of the business of the company can be measured effectively (Pricewaterhouse, 2007).

Nelson and Economy (1997) criteria for successful consultancy comprise of satisfaction/reaction(measures the satisfaction/reaction directly involved in the consulting intervention); learning (measures the actual learning taking place for those individuals who must implement or support the process); implementation/application(measures the success of implementation and the utilization of the consulting intervention solution); business impact(measures business impact change directly related to the consulting intervention); return on investment(measures the actual cost versus benefits of the consulting intervention); and intangible benefits (measures important intangible benefits not utilized in the benefit-cost formula).

### **2.2.1 Key Performance Indicators (KPI) for Consultancy Firms**

The performance of professional service firms are measured with respect to key indicators consisting of leverage, utilization, fees and profit margin depending on the time allocated for project acquisition and delivery; contact and customer maintenance; service innovation and development; and hiring staff (Grasl, 2009).

### **2.2.2 Performance Criteria**

According to Venkatraman and Ramanunjam (1986) performance criteria should focus on financial, operational performance and organization effectiveness. In project management in particular, performance measurement is perceived in terms of meeting of objectives of project budget, project schedule and an acceptable level of outcome (Pinto & Slevin, 1988).

Performance measurement systems should consist of key elements including a set of procedures for collecting and processing data; timetables and protocols for distributing information about performance to users within and outside the organisation; a learning approach to identify what actions can be taken to further improve performance; and a review process which ensures that the performance measurement system is regularly updated (Costa & Formosa, 2004).

The methods for conducting performance measurement include objective / subjective ; financial / non-financial; lagging / leading; complete / incomplete; responsive / non-responsive; inputs / process / output; critical / non-critical; and tangible / intangible; these methods are used for examining, selecting, designing and using measures (Kellen, 2003). In an empirical study Sebahatin and Adem (2012) identified the subjective method for performance measurement to comprise of customer satisfaction; providing goods/services of good quality; reputation and image; and competitive advantage.

### **2.2.3 Performance Constraints**

The criteria for success are in fact much wider, incorporating the performance of the stakeholders, evaluating their contributions and understanding their expectations (Atkinson *et al.*, 1997; Wateridge, 1998). Construction projects potentially can have different sets of stakeholders and, for the purpose of this paper; they are limited to six groups: client, consultant, contractor, supplier, end-user and the community. A consultant is engaged to fulfill a brief in terms of helping to find solutions to specific issues but the ways in which that is to be done generally falls to the consultant to decide, within constraints such as budget and resources agreed with the client. The following have been identified as the major constraint to project performance: unclear goals and objectives; lack of alignment to project goals across stakeholders; non-participative sponsors and stakeholders, or users; poor communication of objectives and targets across the team; unofficial scope creep; poor/lack of measures or information on project performance; unclear responsibilities across the project (can be catastrophic on its own); lack of / poor quality planning / resource planning; poor supplier integration / management; lack of commitment or team working; and lack of ownership (relates to many areas).

### **2.3 PERFORMANCE IN THE GHANAIAN CONSTRUCTION INDUSTRY**

Performance in the construction industry of Ghana is abysmal (Taskforce Report, 2007). Similarly, most of the studies in the construction industry of Ghana have concentrated on the performance of contractors thereby neglecting the performance of consultants. However, Crown Agents (1998) and Westring (1997), Anvuur and Kumaraswamy (2006) have all acknowledge the multifarious problems confronting the construction sector regarding performance which manifest in the form of poor performance; and delay payments. Numerous studies have identified other problems confronting the construction industry in Ghana which affect performance practitioners including consultants. These problems include

delays and cost overruns (Westring, 1997); poor quality (Westring, 1997 and World Bank, 1996; 2003); delays (Eyiah and Cook, 2003; Westring, 1997); insecurity of funding for projects; and contractual and procurement issues (Dansoh, 2005 and Westring, 1997).

The twofold factors affecting performance in the construction industry of Ghana are financial and managerial incompetence of firms operating in the industry (Owusu-Tawiah, 1999). In another study conducted other factors militating against the smooth performance of the construction industry were identified as lack of qualified staff; poor labour relations; poor communication and poor health and safety practices among others (Mensah, 2008 and Danso, 2008).

## **2.4 OVERVIEW OF THE CONSULTANCY INDUSTRY**

A consultancy service is an advice given in an intellectual capacity offered by experts using their skills to study, design, and organizes specific projects, advice clients, conduct training, and transfer knowledge (The World Bank, 2002). The consultancy industry has grown rapidly over the past few years especially during the 1980's and the 1990's, it expanded its frontiers so swiftly to become one of the fastest growing sectors in the knowledge economy (Jespersen, 2009); and according to Ernst and Kieser (2002), 80 percent of today's companies were established in this period. During this period academics and consultants were perceived as persons who led to the creation, the dissemination and the transfer of new ideas (Abrahamson & Fairchild, 1999). Similarly, knowledge consultations provided were not just new ideas, but also ideas that had consequence to organizational strategy and thus shaped management practice (Jespersen, 2009); hence consultancy was perceived as both influencer and carrier of new management ideas, strategies and organizational forms between organizations (Kipping, 1997).

As the demand for the services of consultants grew, the media became suspicious of the power and influence consultants had at the highest levels in the corporations and on strategies (Jespersen, 2009); consultants were therefore portrayed as too expensive; charging too high fees, ineffective; many interventions fail, developing buzzwords they only understand the true meaning of, running amok if not kept in a tight leash by the client and acting in their own interest instead of that of the client (Fincham & Clark, 2002).

#### **2.4.1 Consulting Research in Historical Perspective**

According to Fincham and Clark (2002) majority of the literature on consultancy research evolved in the period mid 1950s and 1980s bordering significantly on organizational development which is making an effort to boost the effectiveness of organizations by planning a collaborative intervention process which dwells on the behavioral science and aims to renew and organization's problem-solving capacity. This exposition by Fincham and Clark resonate into a system of where the client and the consultant interact to propose solution to problems (Jespersen, 2009).

Another perspective in consulting research is the functionalist perspective where the relationship between client and the consultant is portrayed as contractual, arm's-length and a temporary relationship where the goal is to provide the client with a service of knowledge (*ibid*). In this perspective, the consultant is not dependent on the client and is free to act objectively in perceiving the organizational problems and to remain separate to internal power struggles, hidden agendas (Ernst & Kieser, 2002; Kubr, 1996; Kyrö, 1995). The relationship in the functionalist perspective is not of much emphasis but rather contractual and time bound; the pivot around which the functionalist perspective revolves is the centralization of control around the client upon which the consultant is subsequently dependent upon, the reason being that the client can hire and fire (Jespersen, 2009).

According to Council of Europe Development Bank (CEB, 2008), a consultant is a term used to refer to a wide range of public and private entities (natural or legal persons) such as: consulting firms, engineering firms, construction managers, management consulting firms, procurement agents, inspection agents, audit firms, universities, research institutes, government agencies, non-governmental organizations (NGOs), individual consultants *inter alia*. Nickolett (1999) admonish professionals who venture into consulting to perceive their engagement as the task they ought to complete instead of thinking of the next engagement or perceiving the present engagement as the next task while it is the task that should be completed now.

#### **2.4.2 Factors of Successful Consulting**

According to Socci (2011), successful pillars for consultancy include technical skills; business management; marketing and sales; and project management; these pillars are very fundamental to the very existence of consultancies and none must be neglected to the detriment of the other (*ibid*). In another dimension, Washburn *et al.*, (2002) noted some key activities which are fundamental to the success of the consultancy engagement is making certain that everyone in the organization will provide what the consultant needs in order to gather information and make recommendations; informing all concerned either through a general meeting or personal memos that a consultant has been engaged, and explaining the nature or purpose of the engagement; allaying any anxiety that may result when people learn that a consultant has been engaged; the client being available to the consultant to review progress, clarify information, or help in resolving temporary difficulties and to candidly voice concerns to the consultant; and avoiding pressuring the consultant to discuss findings or recommendations until he/she has thoroughly researched the situation and is ready to do so.

It is important to have systematic reasons for engaging in consulting, Socci (2011) clearly identifies key sets to consultancy as having a good reason to start; profiling yourself and

your offering; developing and maintaining superior, specialized skills; realistically defining finances; committing to a go / no-go strategy; organizing the business; establishing an accounting structure; gathering tools for assignments; building resource network; launching marketing campaign; creating project management collateral; and gaining experience. Similarly, The World Bank (2002) underscores the need for technical competence and independence of the consultant in a consultation process.

### **2.4.3 Existing Consultancy Services**

Clients engage consultancies for several reasons including the allocation of resources by providing specialized services for limited amounts of time without any obligation of permanent employment on the part of the client; superior knowledge, the transfer of skills and upgrading the knowledge base of their client while executing the assignment; offering independent advice to their client on the most suitable approaches, methodologies, and solutions for their projects (*ibid*). Key consulting services include drafting of sector policies; institutional reform, management; financial advisory services; provision of engineering architectural design services; project supervision; social and environmental studies; technical assistance; and training (The World Bank, 2002). The nature of consultancy services is that they are discontinued after the engagement duration elapsed.

Key dynamics of consultancy services as they evolve over the years are outsourcing (to decrease personnel cost); scope economies- providing numerous services to the engagement or project; information technology (service delivery greatly influenced by information technology over the past decades); and for quality management, clients now insist that quality services be provided to them (Ministry of Consumer Affairs, 2007). Consultancies are engaged for various reasons including the provision of knowledge gap; a technology that can quickly be provided; the desire to acquire and utilize an in-depth knowledge of an expert; the need to develop the right capacity for a task ahead (Nikolett, 1999). According to

Management Consultancies Association (2010) the reasons for engaging consultancies include the provision of technical support to make the project possible; utilization of expertise to bring various aspects or pieces of the project together; provision of fresh and external perspective to a project; provision of knowledge not available to the client; the ability to bring resources very quickly; consultants have the ability to work for long hours and deliver within the stipulated timeline; and consultants add value to their clients.

#### **2.4.4 Selection of Consultancies for Engagement**

Selecting the wrong consultant for an assignment can have damning consequences for the client such as unreasonable increase in cost; detaching team members instead of developing cohesion; directing the client wrongly; and non-accomplishment of project goals, however, a good consultant can turn around the operations of the client to achieve a lot by significant value to the project at reasonable cost that is bearable to the client (Nikolett, 1999). Consultancies must pay much attention to training, documentation, knowledge transfer among others to help position them well for the market as a lot of companies are interested in these areas (Wang and Noe, 2010).

Consultants are selected to provide services based on several factors including high quality of services; economy and efficiency; competition among qualified consultants; participation of other consultants; and transparency (Department of Defense, 2001). Prior to the selection, the client engages in the preparation of the TOR of the assignment; preparation of the cost estimate to determine the budget of the assignment; advertising to invite expressions of interest from consultants; short listing to identify consultants qualified for the assignment; preparation and issuance of the Request For Proposal (Islamic Development Bank, 2005); preparation and submission of proposals by the consultants; evaluation of technical proposals- quality evaluation; evaluation of financial proposals- cost evaluation; final combined quality and cost evaluation to select the winning proposal (QCBS); and

negotiations and signing of the contract between the client and the consultants(The World Bank, 2002 ; CEB, 2008 and KfW, Bankengruppe, 2012). However, CEB (2008) clearly outlined selection criteria as follows: high level of qualification and quality of services; consultant independence; efficiency and economic use of resources; effective and fair competition between consultants; and transparency of the selection process.

Ethics are also important in the selection of consultants, key ethical considerations include corrupt practices such as offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party (natural or legal person) (UNDP, 2011). Fraudulent practices in any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party (natural or legal person) to obtain a financial or other benefit, or to avoid an obligation( IFC, 2009).Coercive practices such as impairing or harming, or threatening to impair or harm, directly or indirectly, any party (natural or legal person) or the party's property so as to influence improperly that party's actions; and collusive practices in the nature of an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party (CEB, 2008).

International organizations such as the World Bank consider benchmarks such as fairness and clarity, transparency and confidentiality in their selection process (KfW, Bankengruppe, 2012). Clear-cut selection methods comprise of Quality and Cost Based Selection (QCBS); quality based selection (QBS); selection under a fixed budget (SFB); least cost selection (LCS); selection based on consultant's qualifications (SBCQ); single source selection (SSS); and commercial practices (CP) (*ibid*). The selection of the right method is dependent upon the nature, size, complexity, likely impact of the assignment, technical and financial considerations, and the particular circumstances of the client (The World Bank, 2002) while KfW, Bankengruppe (2012) identify selection principles as pre-selection, the tender, bids

assessment, negotiation on the contract (clarifying the work and the methods to be used, where necessary adjusting the staffing schedule; any partnership work to be performed by the project-executing agency and the level of customs and excise duties, taxes and levies in the project-executing and the contractual obligation to pay; and regulations in the contract on other cost items that were not included in the assessment of the price quotation). Nikolett (1999) strongly advocated for technical interview as a key and pragmatic process of selecting competent consultancies. In selecting a consultancy, the client must consider the experience of the entity being engaged, as they will deliver quality services in within a short period of time; this scenario also bring into the bigger picture, the issue of value for services which is delivery at minimum cost, minimum time and higher quality ( Nikolett, 1999).

Also worth considering in the selection of consultants for assignment engagement by the client encompasses the breadth of experience that encompasses and goes beyond the situation as defined; demonstrated ability to complete assignments within budget and on schedule; demonstrated ability to develop practical recommendations and to have them implemented successfully; demonstrated ability to work with people diplomatically and effectively and to minimize disruption of ongoing operations; and degree of trust and rapport established with management during initial contacts (Washburn *et al.*, 2002).

In most cases, selected consultancies are evaluated based on competence: qualifications and general and specialist experience; approach: organisation and methodology; capacity including technical and administrative support staff (back-up office); resource management: availability, budget and/or fees schedule, operating costs; innovation: partnerships with other consultants, including local consultants, approach to social, cultural and environmental issues; previous performance, compliance with deadlines and budget; and quality/cost ratio (Council of Europe Development Bank (CEB, 2008).

#### **2.4.5 Consultancy Contracts**

The key components of the consultancy contract as identified by KfW Bankengruppe ( 2012) consist of services to be provided by the consultant and their description (which will comprise a statement of the objective of the consultant assignment, and the resultant terms of reference for the consultant; a detailed list of the minimum individual services needed to achieve that objective; and a list of the documents (studies, reports, plans) to be presented by the consultant to show the progress and results of his work); the timetable; the staffing schedule; obligation to provide information; remuneration; payment terms of various forms; price escalation clause; disbursement procedure; independence of the consultant; liability; force majeure; termination of the contract; prevailing law and settlement of disputes; contract language; insurance; taxation of consultancy services; and declaration of undertaking. Once a consultant has been selected, the goals, client expectations, deliverables and agreed terms and conditions must be clearly outlined in the contract documents in a language comprehensible to both parties (Nikolett, 1999). According to Washburn *et al.*, (2002), critical factors to consider in crafting a consultancy agreement consist of the objective and scope of the assignment; what the consultant will do, what the client should do, and what they will do jointly during and following the project's completion to assure its success; the nature of completion or agreed upon evidence of delivered value; the anticipated charges, basis of charges, expenses, and terms of payment; and the conditions under which the client or the consultant may cancel the agreement.

#### **2.4.6 Client-Consultant Relationship**

Client-consultant relationship is embedded in the roles of both the client and the consultant; this means that both actors have some roles towards each other. For instance, three main roles are identifiable as far as the consultant is concerned and these include “seller of services”, “supplier of information” and “business doctor dispensing cures” (Clark 1995: 88). The first

role puts the consultant in the position of the traditional business man engaged in the art of buying and selling while the second aspect describes the role as the person who supports the flow of information between the two parties and third in terms of the consultant as a business doctor with the cure for the ill patient (Jespersen, 2009). Hence nine metaphorical roles of the consultant have been widely noted as teacher, student, detective, barbarian, clock, monitor, talisman, advocate and ritual pig (Steele, 1975 *cited in* Clark, 1995). These metaphorical roles have been coined for the consultants because earlier successful consultants perceived themselves as these objects in the discharge of their duties to clients (Jespersen, 2009).

#### **2.4.7 The Consultancy Industry in Ghana**

Much has not been achieved in terms of research particularly on existing literature on the Ghanaian consultancy industry. However, Gyadu-Asiedu (2009) acknowledge key consultants usually engaged by the Government of Ghana are professionals of backgrounds comprising of Architects, the Quantity Surveyors (QS), Geodetic Engineers (GE), Structural Engineers (St.E), Electrical Engineers (EE) and Services Engineers (SE) operating mostly in the building construction sub sector of the construction industry. Similarly, these professionals operate under various professional bodies notably Ghana Institution of Architects (GhIE), Ghana Institution of Surveyors (GhIS) for the QS and GE and (GhIE) for the rest.

In spite of the dearth of literature on the consultancy industry in Ghana, Dadzie *et al.*, (2012) conducted a recent empirical study on the performance of consultants on government projects in Ghana: client and contractor perspective in the Ashanti Regional capital of Ghana with much emphasis on the factors affecting the performance of consultants. This study only concentrated on factors affecting performance of consultants and did not sought to develop a criteria for assessing the performance of consultants in spite of operating under the identifiable factors affecting them. It is necessary to move further by charting an appropriate

course that will be empirical enough for the assessment of the factors identified by the study. The study of Dadzieet *al.*, (2012) identified key factors militating against consultant performance as supervision of project beyond their schedule duration; and inability to make decision on prompt delivery of projects to avert cost and time overrun. Other important factors identified by the study include nepotism and political interference; and poor relationship among project team members (Dadzieet *al.*, 2012). Similarly, Ofori (2012) identified numerous problems confronting the construction industry in Ghana which comprise of scarce operating cash flow; insufficient flow of jobs; low level of fees which hinders the development of their technical support system; low productivity; poor quality of work; and lack of means and opportunities for providing training.

Drawing on from Ofori (2012) above the critical challenges confronting the performance of consultants in the construction industry of Ghana borders on the inability to break-even through pricing in order to secure better training opportunities and lack of training opportunities to strengthen the professional acumen of consultants in the delivery of the projects.

## **SUMMARY**

This chapter of the study reviewed the key aspects of related literature of the research. The main areas of the literature review concentrated on the review of performance measurement and consultancy practice. Other interesting dimensions of the literature review include performance in the Ghanaian construction industry and an overview of the Ghanaian consultancy industry. The next chapter dwelt on the methodology of the research study.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 INTRODUCTION**

This chapter focuses on the methodology used for the study. The methodology is the process used to collect information and data for the purpose of making decisions (Thompson *et al.*, 2004). In other words, the methodology involves a systematic supply of information coupled with tools of analysis for making sound decision involving minimum risk to an organization in the light of increasing competition and growing size (Palande, 2013). It involves the research design, data collection, population and sample, as well as the instruments used. The procedure for data collection and data analysis has been discussed. The Section addresses data collection instruments, methods, and procedures. It stipulates detailed clarifications to each of the methods engaged and how the methods adopted were used to address the aims and objectives. It investigates the methodologies implemented in order to bring to bear the pertinent issues as regards the criteria for measuring the performance of consultants.

#### **3.1 RESEARCH STRATEGY, DESIGN AND PROCESS**

Research strategy deals with how the research objectives are questioned. Naoum (1998), states the three main strategies as quantitative, qualitative, and triangulation. The decision to follow any particular strategy depends on the purpose of the study, the type and availability of information to the research (Naoum and Coles, 1997). The purpose of the methodology and research design is to provide direction in the planning and implementation of the study in a way that is most likely to achieve the intended goal. The research design also deals with the framework for data collection and analysis; the structure that guides the execution of the technique for collection and analysis of data, which provides the connection between empirical data to its conclusions, in a logical sequence to the initial research question of the study (Bryman, 2004, 1992); and includes experimental, survey, action research, and case

study (Baiden, 2006). The methodology is thus a blueprint for conducting the study (Burns & Grove, 1999). These methods describe in detail how the study is to be conducted. According to Burns & Grove (1999), methodology includes design, setting, sample, methodological limitation and data collection and analysis techniques in a study.

Research process on the other hand addresses data collection instruments, methods, and procedures (Bergold and Thomas, 2012). It provides detailed explanations to each of the methods employed and how the methods adopted are used to address the aims, objectives and research questions. This research follows the quantitative strategy and adopted survey questionnaire which was preceded by a thorough literature review. A survey questionnaire was selected because of the need for generalization on the findings across the construction industry. It also enhances the reliability of observations and improves replications because of the inherent standardized measurement and sampling procedures (Oppenheim, 1996). This study adopted the positivist philosophy utilizing the quantitative approach in data collection and analysis.

### **3.2 THEORETICAL FRAMEWORK**

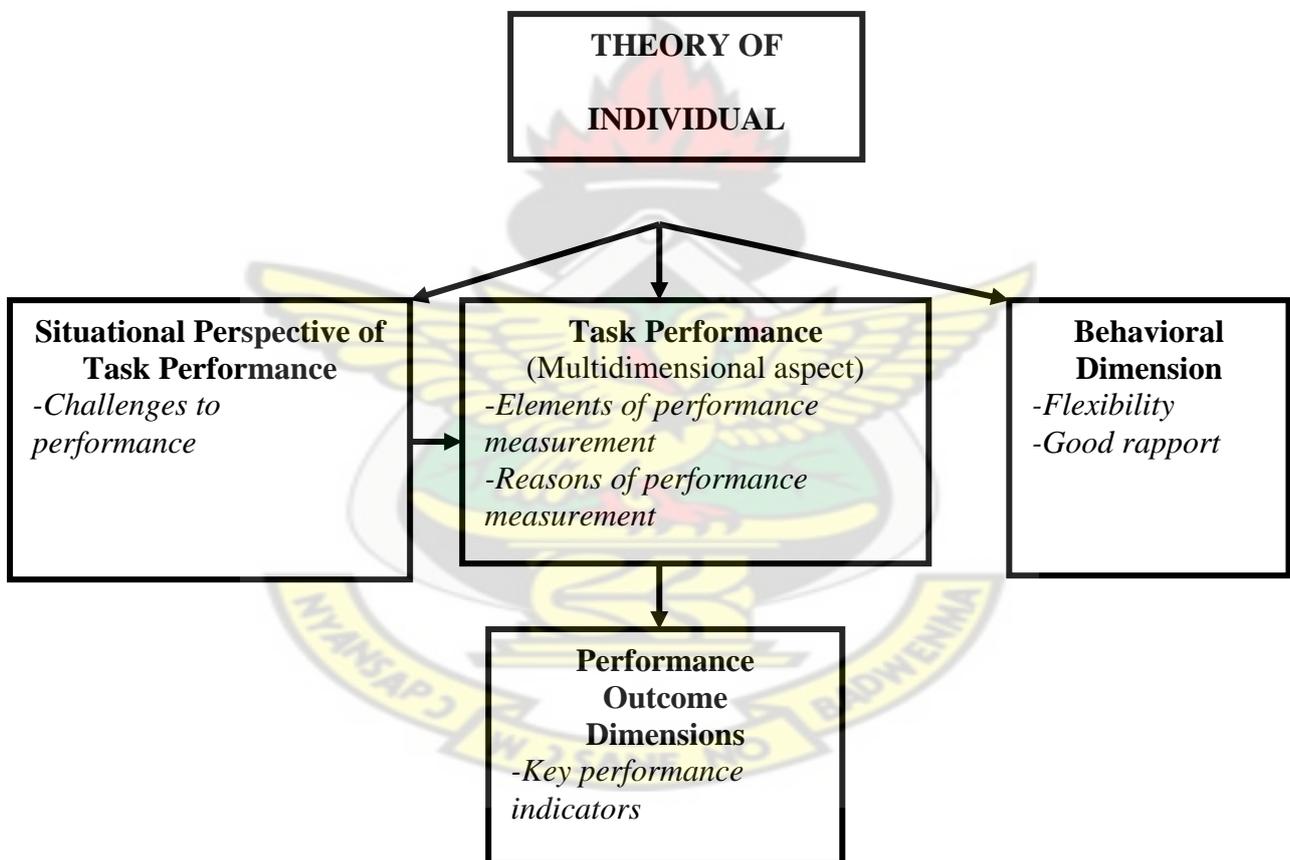
Theoretical frameworks are useful for the development of hypothesis and supporting the focus of discussions in a research study (Chong, 2008). In this research, the theoretical framework would be used in supporting and directing the focus of the discussion of key issues on performance. The theoretical framework considers theoretical dimensions of performance outcome, task performance and accomplishment, the multidimensional aspect of task performance among others. Performance is to take series of actions that combine skills and knowledge to produce spectacular outcomes. Performance results have been classified into quality increases and cost decreases; capability and capacity increases; skills increases and identity and motivation (Elger, 2007).

Project execution requires performing individuals for successful implementation (Sonnentag and Frese, 2002). Task accomplishment and high level performance are source of satisfaction, mastery and pride (Elger, 2007; Sonnentag and Frese, 2002). High level performance is reflected in work or service delivery (Gregory, 1993, Sonnentag and Frese, 2002). Individual performance also involves behavioral dimension (Campbell *et al.*, 1993). These behaviors can manifest in project implementation as good client-consultant relationship in the form of good rapport, flexibility among others.

Outcome dimension of individual performance borders on the results issuing out of the actions of the performer (Sonnentag and Frese, 2002). The outcome dimension of dimension of performance depends on factors which are not related to the interaction between a consultant and a client; this means that having a good client-consultant relation does not depend on successful project delivery (Elgar, 2007). Delivery is dependent on the skills of the individual (consultant in this research) (Sonnentag and Frese, 2002). It is also important to consider the action aspect of performance with much reference to the outcome (Sonnentag and Frese, 2002). Similarly, Borman and Motowidlo (1993) considered the multi-dimensional aspect of task performance which is the technical capability of the individual. The elements of task performance have been identified by Campbell *et al.*, 1996; Motowidlo and Schmit, 1999) as job-specific task proficiency; non-job-specific task proficiency; written and oral communication proficiency; supervision- in the case of a supervisory or leadership position; and management/administration. Over the decades, various perspectives have been shared on the theory of performance. One of such perspective which is related to this study is the situational aspect which focuses on the obstacles of performance (Sonnentag and Frese, 2002).

Drawing on from the above, the theoretical framework largely considered the theory of individual performance. It is believed that the combination of the various proficiencies of task

performance of consultants on a project will inure to the success or failure of the project implementation. This study perceives the actions of consultants in the implementation of projects as the bedrock of the outcome to be realized. In this research study, the task performance aspect of performance proficiency is linked to the reasons of performance measurement and the elements of performance measurement. In this study the situational aspects of performance which are the impediments to performance are christened as the challenges to consultant's performance. The variables for challenges of consultant performance were gleaned from the review of related literature.



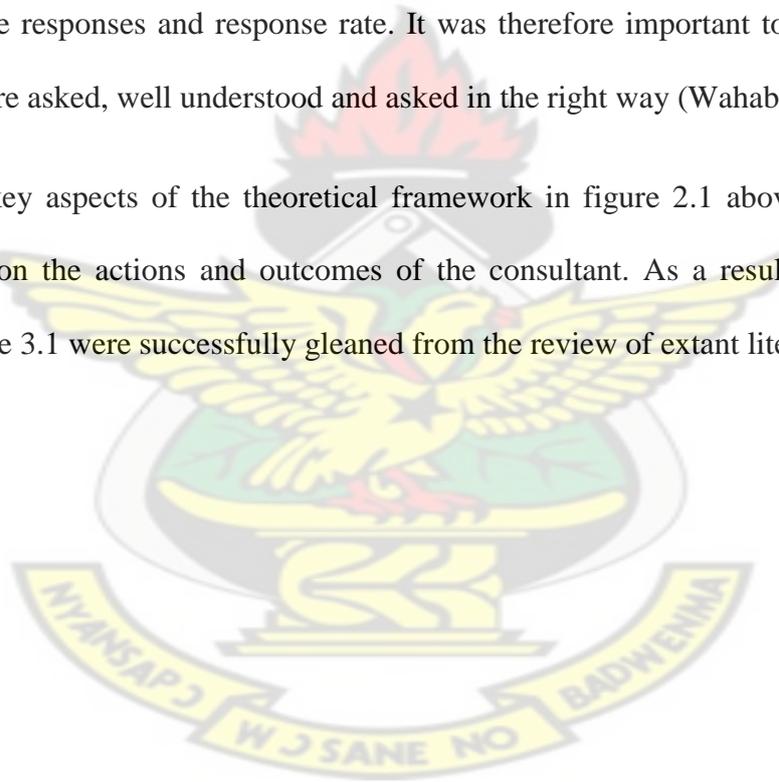
**Figure 2.1: Theoretical Framework**

### 3.3 QUESTIONNAIRE DESIGN

The literature review and the in-depth exploratory interview guided the design of the questionnaires to ensure that only the relevant questions in the context of the research were asked (Oppenheim, 1996). The format of the questionnaires was guided by considerations of appeal to respondents, ease of reading and supplying the required data so that the research participants' time were not wasted during the data collection. The questionnaires were designed to include; closed-ended question, and scaled-response questions.

The type of questions and the way in which questions are articulated and presented influences the quality of the responses and response rate. It was therefore important to ensure that the right questions are asked, well understood and asked in the right way (Wahab, 1996).

Hinged on the key aspects of the theoretical framework in figure 2.1 above, the literature review focused on the actions and outcomes of the consultant. As a result, the following variables in Table 3.1 were successfully gleaned from the review of extant literature.



**Table 3.1 : Key Variables for questionnaire design**

No.	<b>Reasons of performance measurement (<i>Task Performance Dimension</i>)</b>
1	To know if the outputs of consultants is achieving the right outcomes
2	To monitor the progress of the consultation process
3	To make adjustments if the services delivery process is deviating
4	To track the effectiveness of initiatives and programmes being executed
5	To make informed decision concerning resource allocation for service delivery
<b>Elements of performance measurement (<i>Task Performance Dimension/Action and skill</i>)</b>	
1	Procedures for data collection and processing
2	Timetables and protocols for distribution of performance information to users
3	Review processes to ensure regular update of performance measurement
<b>Key performance indicators/criteria (<i>Performance outcome dimension</i>)</b>	
1	Satisfaction with services provided by the consultant
2	The actual benefits accruing from the consultancy process
3	Successful implementation of the proposed solutions by the consultant
4	The level of usage of the consultancy intervention provided by the consultant
5	Changes brought into the client's operations by the consulting intervention
6	The amount of return on investment made into the consulting process
7	Ability to mitigate cost escalation of the project
8	The quality of the project implemented
<b>Challenges to consultants performance (<i>Situational dimension of task performance</i>)</b>	
1	Failure to establish rapport with the client
2	Taking the client for granted
3	Lack of effective communication
4	Lack of flexibility on the part of both the client and consultant during service delivery
5	Failure of the consultant to market for future consulting engagements in order to acquire experience
6	Turning down consulting opportunities

The questionnaire consisted of six closed-ended questions fitted on to two pages of A4 sheet.

The questionnaire had an introduction which dealt with the ethical dimension of the research

by enlightening respondents on the purpose of the research. The introduction also assures respondents of the confidentiality and enough instructions were provided to aid respondents' interaction with the questionnaire. The first two questions of the questionnaire borders on the work experience and work acquisition rate of respondents. This is to ensure that data is gathered from respondents who had considerable experience to offer valid and cogent information. Questions 3, 4, 5 and 6 addressed issues on rational for consultancy performance measurement; key performance indicators; elements of consultancy performance measurement systems; and challenges to consultants' performance respectively. The responses to the questions ranges from strongly disagree to strongly agree which were on a five point likert scale.

### **3.4 DATA COLLECTION AND INSTRUMENTATION**

#### **3.4.1 Data collection**

Data collection involved a desk survey (literature review) and a field survey. The literature review helped to set the pace for the development of field survey instruments using questionnaires, and interview (Fadhley, 1991). While the literature review positioned the study within its theoretical context, the field survey, which consisted of survey questionnaires were used in the collection of empirical data.

#### **3.4.2 Sampling Frame and Sample Size Determination**

Sampling refers to the selection of units of analysis for a study (Seale, 1999). The sampling criterion is based on the research problem, purpose, design and practical implications of the research topic. The Techiman Municipality of the Brong Ahafo region was selected and firms utilising consultancy services were contacted. The Techiman Municipality is one of the seven municipalities of the Brong Ahafo Region of Ghana created in by a legislative instrument (LI 1799) of 2004. The Techiman Mucipality has been chosen for this research as a result of being the commercial hub of the Brong Ahafo region and as a Municipal Assembly;

numerous construction projects have been undertaken which require the supervision of consultants. In terms of construction, the assembly has constructed two health centres, an NHIS office and semi-detached nurses' quarters for the health sector. In the educational sector, the Techiman Municipal Assembly has a 10 number 3-unit classroom blocks; 4 number 6-unit classroom blocks; and teachers' quarters. In water and sanitation, a 16-unit aqua privy toilet; 1 number mechanized borehole and 63 number boreholes were constructed. Road construction projects involve the reshaping of numerous roads; construction of Techiman township roads and other arterial roads have been under construction. Construction of markets and lorry parks are among the construction projects being undertaken in the municipality. Other key projects involve the construction of a tomato factory; a national Youth Employment Programme office; and an Area Council office for the Techiman Municipality (Ghanadistricts.com, 2013). It is clear that the above construction activities going on in the municipality couple with its vibrant commercial activities would attract consultants to the municipality.

The sampling frame for the research was composed of fifteen (15) engineers selected from the Municipal Assembly, Urban Roads and the Department of Feeder Roads. Five (5) directors selected from the Municipal Assembly and the Ghana Education Service. Eight (8) planning officers were selected from the Municipal Assembly, Urban Roads and the Ghana Education Service. Fifteen (15) external consultancy firms as well as thirty-seven (37) contractors selected as respondents to provide the needed data for this study. This gave a sampling frame of eighty (80). The purposive sampling technique was adopted for the study due to the relatively manageable size of the sampling frame of 80 which produced a sample size of 72. According to Tongco (2007), purposive sampling is the deliberate choice of respondents due to the qualities the respondents possess. In using this technique, the researcher is interested in what needs to be known and set out to seek those who are willing

to provide information regarding the research (Bernard, 2002, Lewis and Sheppard, 2006). Purposive sampling is also appropriate for identifying the key informants (Bernard, 2002, Garcia, 2006, Gustadet *et al.*, 2004, Jarvis *et al.*, 2004, Lyon and Hardesty 2005) who would provide the requisite information. Key informants are observant and reflective followers of a phenomenon of interest who know much about the particular issue at stake and are both able and willing to share their knowledge (Bernard 2002). The members of the sampling frame are active participants of the implementation of construction projects in the Techiman Municipality hence they possess the requisite information and also owing to their relative small number make the use of purposive sampling technique appropriate.

### **3.5 INSTRUMENT ADMINISTRATION**

The researcher hand delivered the questionnaires to respondents who supervised works in the Techiman Municipality. Some of the questionnaires were retrieved on the spot while others were turned in by the respondent. The instrument administration began on the 1<sup>st</sup> August to 21<sup>st</sup> August of 2013. After three weeks of questionnaire administration 80 questionnaires were administered to respondents out of which 72 were retrieved giving a response rate of 90 per cent.

### **3.6 DATA PREPARATION AND STATISTICAL TOOL FOR ANALYSIS**

The raw data was gathered and processed into a form suitable for analysis (data sorting). They were then entered into datasets using the Microsoft Software Programme for Social Sciences (SPSS) for the analysis to begin. Descriptive statistical tools were mainly used to analyse the data which was ordinal data in nature. The selection of the analytical tool was contingent on a thorough review of available analytical and statistical tools. The notable tools of analysis include the Relative Importance Index (RII). The RII method is suitable for a five-point response item (Baduet *et al.*, 2013) as in the case of this research study. The RII values ranges from 0.2 to 1.0 (Ugwu and Haupt, 2007) and is calculated as follows:

$\sum W$

$$RII = \frac{\sum W}{A * N};$$

where:  $W$  – the weight given to each factor by the respondents and ranges from 1 to 5;  $A$  – the highest response integer (5); and  $N$  – the total number of respondents.

The Chi-square test is a non-parametric test of significance conducted to achieve the relationship between two or more variables (Adeyemi, 2009). According to Zibran (2007), the chi-square ( $X^2$ ) is determined by:

$$X^2 = \sum \frac{(O_i - E_i)^2}{E_i};$$

In this case,  $O_i$ = observed frequencies;  $E_i$ = expected frequencies;  $i = 1, 2, 3, \dots, n$ , and  $n$ = number of cells in the contingency table. In this research, the significance of the result is importance since the target is to develop a criterion for consultancy performance measurement. The  $p$ -value is also important in the determination of statistical significance especially when using the chi-square test. The  $p$ -value is instrumental in the interpretation of the chi-square test result by combining it with the degree of freedom (df) to determine the critical value from the chi-square distribution table. Traditionally,  $p$ -value is the measure of amount of evidence that exist against a null hypothesis (Sathian and Sreedharan, 2012). Similarly, the  $p$ -value is the probability of obtaining a result at least as extreme as the one that was actually observed (Panagiotakos, 2008). In this research study, the SPSS was used in obtaining the chi-square value, the  $p$ -value and the degree of freedom (df) and the chi-square distribution table to determine the significance of the results obtained using the RII. In this research, the conventional  $p$ -value of 0.005 of the SPSS was used as it is the most acceptable for survey research. According to Naoum (1998), if the calculated chi-square ( $X^2$ ) is greater than the critical chi-square ( $X^2_{\alpha}$ ) at  $p < 0.05$ , it implies the result of the research is significant.

The analysis and interpretation of the chi-square test of significance of this research is therefore hinged on the above assertion of Naoum (1998).

### **3.7 RELIABILITY AND VALIDITY OF RESULTS**

In order to strengthen the reliability of the study, the researcher undertook the following activities. In the first place, the researcher ensured that the objectives set were in conformity with the research questions. Literature reviewed covered both the objectives and the research questions.

### **3.8 CHAPTER SUMMARY**

This chapter has discussed research methods and given reasons for the options selected to achieve the research aims and objectives. The chapter also described the research design and methodology, including the research strategy, and research design adopted for this study. The methods and techniques which were used in the data collection and analyses were also presented. The chapter stated the research process and covered issues such as scope of questionnaire survey, data sources, sampling and sample size determination, questionnaires development, content of the questionnaires, questionnaires distribution, and data analytical tools.

## **CHAPTER FOUR**

### **ANALYSIS AND DISCUSSION OF RESULTS**

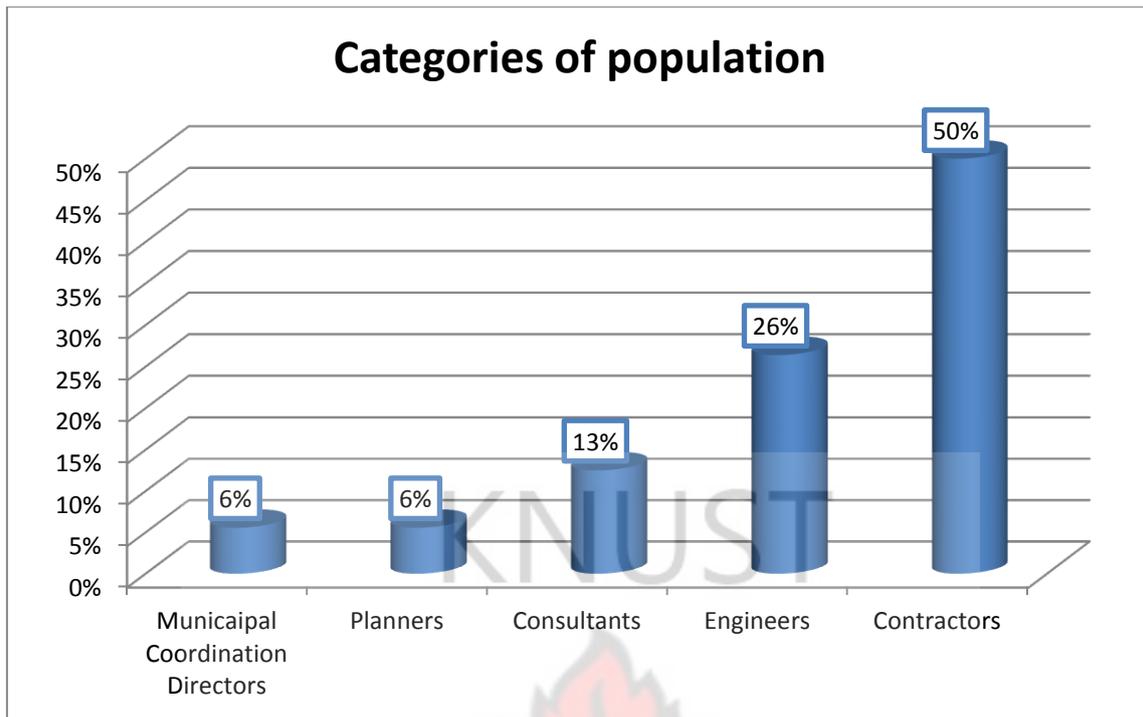
#### **4.0 INTRODUCTION**

This chapter discusses the results of the study in the form of tables, graphs, percentages and charts. This chapter is also divided into sub-headings to throw more light on questions asked using the survey questionnaire. The main areas were the profile of respondents; frequency of service provision to clients; reasons for consultancy performance measurement; key performance indicators/criteria for consultancy performance measurement; and elements of performance measurement.

#### **4.1 RESPONDENTS PROFILE**

##### **4.1.1 Professional and Occupational Background of Respondents**

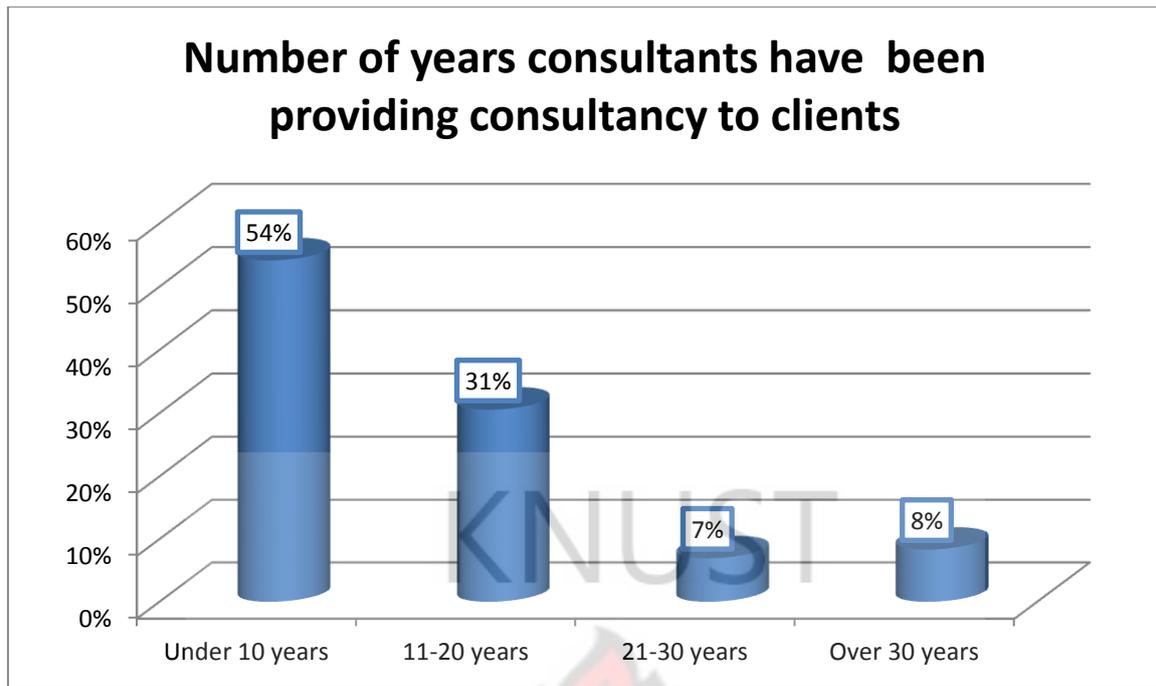
It is important to assess the professional and occupational background of respondents in order to ascertain the validity of information provided for this research work. This helps in ensuring that data is gathered from the appropriate quarters. From figure 4.1, it has been demonstrated that 50 per cent of respondents are contractors; 26 per cent are engineers; 13 per cent are consultants; and 6 per cent are planners and municipal coordination directors respectively. In perusing this result, it has been realized that the major consumers of consultancy services were contractors and they also are the majority of respondents in this research. This goes to explain that the information gathered reflect the perception of the majority of respondents who actually hire and interact directly with the services of consultants hence are in the position to thoroughly assess their performance.



**Figure 4.1: Professional and occupational background of respondents**

#### **4.1.2 Work Experience of Respondents**

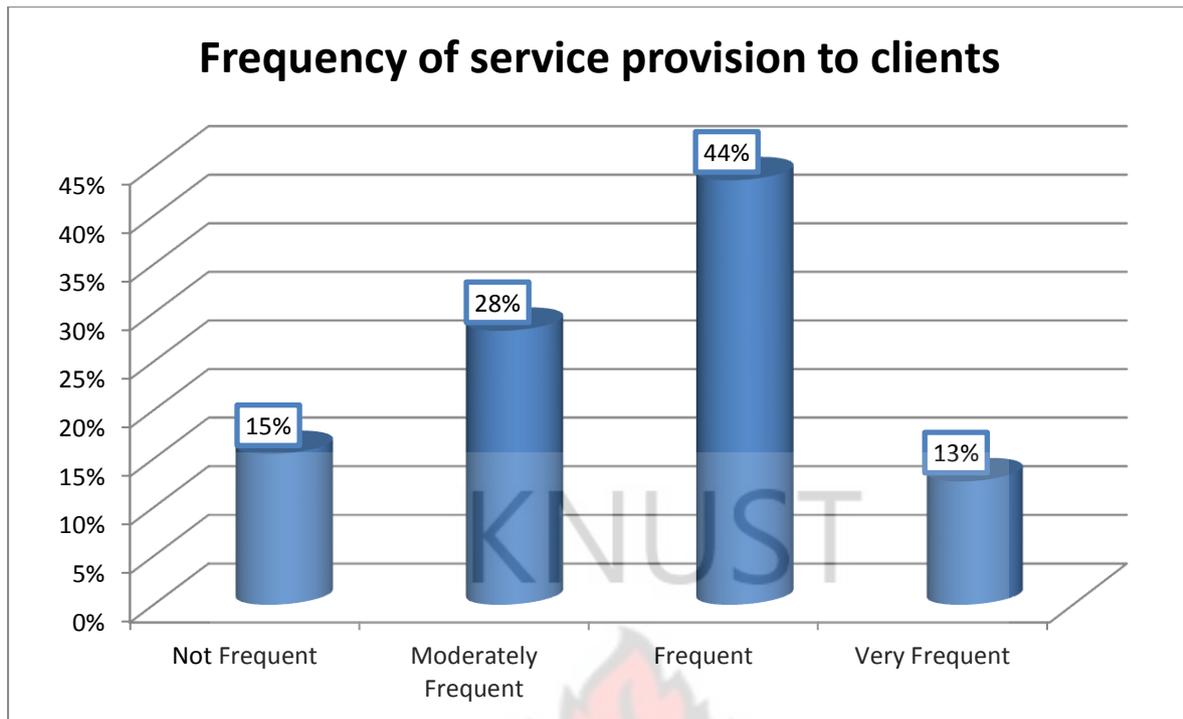
The number of years in providing services to clients is also important as far as the quantum of information they have gathered over the years is concerned. Drawing on from figure 4.2, 54 per cent of consultants have provided consultancy services to clients below ten years; while 31 per cent have provided services to clients between 11 to 20 years; 7 per cent rendered services between 21 to 30 years and 8 per cent have been providing services to clients for over 30 years. This goes to explain that the years of experience they have acquired will also affect the quality of information that respondents would provide in this research study.



**Figure 4.2: Respondents years of Experience**

#### **4.1.3 Frequency of Service Provision to Clients**

Similarly, it is equally good to examine the frequency of service provision to client so that the data collected would be current and not outdated because a consultant who has provided services for over ten years and had not provided any recently would provide an information that would be out of touch with current realities. Referring to figure 4.3, it has been realized that 44 per cent of respondents frequently provide services to clients; 28 per cent moderately provide services; 13 per cent very frequently provide services to clients; and 15 per cent did not frequently provide services to clients. This result also underpins the credibility of the results collected since majority of respondents frequently provide services to clients hence the information provided would be a current information.



**Figure 4.3: Frequency of service provision by consultants to clients**

#### **4.2 REASONS FOR CONSULTANCY PERFORMANCE MEASUREMENT**

It is important to examine the rationale for measuring the performance of consultants from the viewpoint of respondents. Table 4.1 details various reasons for measuring the performance of consultants. From the table the critical reasons identified by respondents to be significant include: to make adjustments if the services delivery process is deviating; to track the effectiveness of initiatives and programmes being executed; to make informed decision concerning resource allocation for service delivery; to know if the outputs of consultants is achieving the right outcomes have their relative importance index(RII) well above 0.80 while to monitor the progress of the consultation process had an RII above 0.70. This phenomenon of high RII values put these reasons of measuring consultancy performance in order for respondents. It is important to examine the nature of responses from respondents, in this case referring to Tables 5, 6, 7, 8 and 9 of *Appendix 2*, it has been realized that majority of the respondents involved in the research fell into the response category of agree and

strongly agree as indicated by the expected frequencies in these tales in *Appendix 2* for each of the rationale for consultancy performance measurement explored in this study.

Considering the chi-square test conducted on the reasons of consultancy performance measurement, to make adjustments if the services delivery process is deviating ( $X^2 = 55.556$ ,  $df = 1$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 7.879$ ); to track the effectiveness of initiatives and programmes being executed ( $X^2 = 88.556$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ); to make informed decision concerning resource allocation for service delivery ( $X^2 = 61.194$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ); To know if the outputs of consultants is achieving the right outcomes ( $X^2 = 83.417$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ); and to monitor the progress of the consultation process ( $X^2 = 60.361$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ). From the chi-square results above, it is clear that in all the cases of the reasons for measuring consultancy performance, the  $X^2_{cal} > X^2_{\alpha}$  at  $p < 0.005$  hence it is concluded that the variables for reasons for consultancy are significant in the development of a criteria for consultancy performance measurement.

**Table 4.1: Reasons for consultancy performance measurement**

Consultancy performance measurement reasons	N	Sum	Mean	RII	Rank	Chi-Square	df	p-value
1. To make adjustments if the services delivery process is deviating	72	306	4.25	0.85	1	55.556 <sup>b</sup>	3	0.000
2. To track the effectiveness of initiatives and programmes being executed	72	299	4.15	0.83	2	88.556 <sup>a</sup>	4	0.000
3. To make informed decision concerning resource allocation for service delivery	72	297	4.13	0.83	3	61.194 <sup>a</sup>	4	0.000
4. To know if the outputs of consultants is achieving the right outcomes	72	294	4.08	0.82	4	83.417 <sup>a</sup>	4	0.000
5. To monitor the progress of the consultation process	72	284	3.94	0.79	5	60.361 <sup>a</sup>	4	0.000

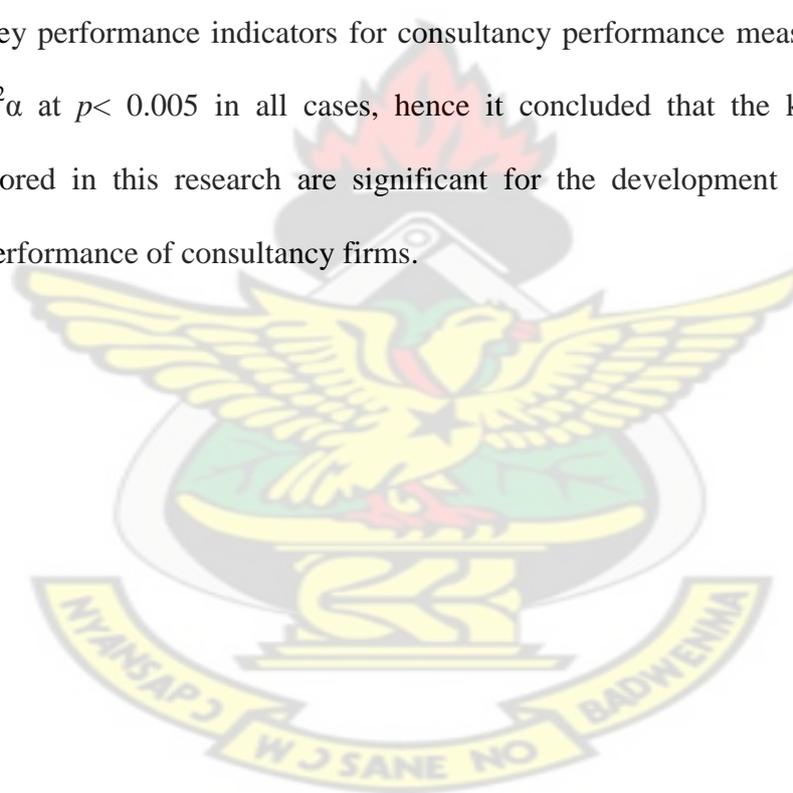
### 4.3 KEY PERFORMANCE INDICATORS/CRITERIA FOR CONSULTANCY PERFORMANCE MEASUREMENT

In measuring the performance of consultants, it is important to devise indicators for such an important purpose. Performance criterion would enable clients to accurately measure the performance in order to assess the value of their investment into consultancy engagement. Referring to Table 4.2 below, ten main indicators were explored, per their ranking, satisfaction with services provided by the consultant; changes brought into the client's operations by the consulting intervention; successful implementation of the proposed solutions by the consultant; ability to mitigate cost escalation of the project; amount of time spent on consulting; the quality of the project implemented among others all had their RII above 0.70 which makes them to be regarded as higher order indicators of consultancy performance measurement. However, the level of usage of the consultancy intervention provided by the consultant was considered by respondents as a mediocre indicator having recorded an RII of 0.65 and ranked 10<sup>th</sup>. Considering the responses of respondents concerning these indicators by referring to Tables 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21 of *Appendix 2* by critically observing the observed frequencies (N) of each indicator it is clear that majority of respondents agree to the adoption of these indicators for measurement of consultancy performance.

It is also important to ascertain the significance of the key performance indicators explored in this research. The chi-square result revealed that the variables, satisfaction with services provided by the consultant ( $X^2 = 45.000$ ,  $df = 3$ ,  $p < 0.001$ ,  $X^2\alpha = 12.838$ ); changes brought into the client's operations by the consulting intervention ( $X^2 = 45.778$ ,  $df = 3$ ,  $p < 0.001$ ,  $X^2\alpha = 12.838$ ); successful implementation of the proposed solutions by the consultant ( $X^2 = 76.778$ ,  $df = 3$ ,  $p < 0.001$ ,  $X^2\alpha = 12.838$ ); ability to mitigate cost escalation of the project ( $X^2 = 14.583$ ,  $df = 3$ ,  $p = 0.001$ ,  $X^2\alpha = 12.838$ ); amount of time spent on consulting ( $X^2 =$

40.778,  $df = 3$ ,  $p < 0.001$ ,  $X^2\alpha = 12.838$ ); the quality of the project implemented ( $X^2 = 28.667$ ,  $df = 3$ ,  $p < 0.001$ ,  $X^2\alpha = 12.838$ ); the actual benefits accruing from the consultancy process ( $X^2 = 103.19$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2\alpha = 14.860$ ); implementation of health and safety regulations ( $X^2 = 20.778$ ,  $df = 3$ ,  $p < 0.001$ ,  $X^2\alpha = 12.838$ ); the amount of return on investment made into the consulting process ( $X^2 = 16.718$ ,  $df = 3$ ,  $p = 0.001$ ,  $X^2\alpha = 12.838$ ); and the level of usage of the consultancy intervention provided by the consultant ( $X^2 = 54.806$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2\alpha = 14.860$ ).

Drawing on from the above analysis of the chi-square test of significance for the variables bordering on key performance indicators for consultancy performance measurement it clear that  $X^2_{cal} > X^2\alpha$  at  $p < 0.005$  in all cases, hence it concluded that the key performance indicators explored in this research are significant for the development of a criteria for assessing the performance of consultancy firms.



**Table 4.2: Key Performance Indicators(KPI)**

<b>Performance indicators</b>	<b>N</b>	<b>Sum</b>	<b>Mean</b>	<b>RII</b>	<b>Rank</b>	<b>Chi-Square</b>	<b>df</b>	<b>p-value</b>
1. Satisfaction with services provided by the consultant	72	308	4.28	0.86	1	45.000 <sup>a</sup>	3	0.000
2. Changes brought into the client's operations by the consulting intervention	72	306	4.25	0.85	2	45.778 <sup>a</sup>	3	0.000
3. Successful implementation of the proposed solutions by the consultant	72	298	4.14	0.83	3	76.778 <sup>a</sup>	3	0.000
4. Ability to mitigate cost escalation of the project	72	293	4.07	0.81	4	14.583 <sup>d</sup>	2	0.001
5. Amount of time spent on consulting	72	291	4.04	0.81	5	40.778 <sup>a</sup>	3	0.00
6. The quality of the project implemented	72	286	3.97	0.79	6	28.667 <sup>a</sup>	3	0.000
7. The actual benefits accruing from the consultancy process	72	283	3.93	0.79	7	103.19 <sup>b</sup>	4	0.000
8. Implementation of health and safety regulations	72	281	3.9	0.78	8	20.778 <sup>a</sup>	3	0.000
9. The amount of return on investment made into the consulting process	71	268	3.77	0.75	9	16.718 <sup>c</sup>	3	0.001
10. The level of usage of the consultancy intervention provided by the consultant	72	235	3.26	0.65	10	54.806 <sup>b</sup>	4	0.000

#### 4.4 ELEMENTS OF PERFORMANCE MEASUREMENT

In developing performance measurement criteria for consultant performance measurement, it is important to consider the key elements for such an exercise. Table 4.3 details out the critical elements of performance measurement. Again, their RII are also above 0.70. Referring to Tables 24, 25 and 26 of *Appendix 2* by critically assessing the observed frequencies (N) of responses from respondents, it has been realized that respondents unanimously agreed on procedures for data collection and processing as an element for performance measurement of consultants, in this case 9 respondent moderately agreed, 41 agreed and 22 strongly agreed. However, in the case of timetables and protocols for distribution of performance information to users; and review processes to ensure regular

update of performance measurement there were some disagreement of observed frequencies 4 and 2 respectively but these were not strong enough to offset the observed frequencies for agreement hence it is proper to conclude that majority of respondents agreed on these two elements as performance measurement elements.

Using the chi-square test, the variables regarding elements of performance measurement notably to monitor the progress of the consultation process ( $X^2 = 21.583$ ,  $df = 2$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 10.597$ ); review processes to ensure regular update of performance measurement ( $X^2 = 81.750$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ); and timetables and protocols for distribution of performance information to users ( $X^2 = 49.111$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ). It is evident that in terms of the variables on the elements of performance measurement,  $X^2_{cal} > X^2_{\alpha}$  at  $p < 0.005$  in all the three variables examined in the research hence it is concluded that the elements of performance measurement examined in this research are significant.

**Table 4.3: Elements of performance measurement**

Performance elements	N	Sum	Mean	RII	Rank	Chi-Square	df	p-value
1. To monitor the progress of the consultation process	72	301	4.18	0.84	1	21.583 <sup>a</sup>	2	0.000
2. Review processes to ensure regular update of performance measurement	72	301	4.18	0.84	2	81.750 <sup>b</sup>	4	0.000
3. Timetables and protocols for distribution of performance information to users	72	276	3.83	0.77	3	49.111	4	0.000

b

#### 4.5 CHALLENGES CONFRONTING CONSULTANTS' PERFORMANCE

Challenges confront every professional in the discharge of their assignments and consultants are no exception. Table 4.4 explored four main critical challenges of consultancy performance; it has been realized from the result in Table 4.4 that Failure to establish rapport with the client among others challenges are the significant challenges of consultant performance. These challenges have their RII above 0.70. However, turning down consulting opportunities is regarded by respondents as a mediocre challenge having recorded an RII of 0.65. Even though Failure of the consultant to market for future consulting engagements in order to acquire experience was considered to be significant using the RII of 0.71. It is important to refer to the nature of responses received by this variable hence referring to Table 33 (see 'observed N' column of the table) of Appendix 2, respondents were not definite in their responses concerning this challenge hence it is proper to conclude that it has an inconclusive response from respondents. Again using Tables 29, 30, 31 and 32, majority of respondents agree on these challenges in the respective tables of Appendix 2.

Using the chi-square test results, the challenges, failure to establish rapport with the client ( $X^2 = 70.222$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ); taking the client for granted ( $X^2 = 26.778$ ,  $df = 3$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 12.838$ ); lack of effective communication ( $X^2 = 40.361$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ); lack of flexibility on the part of both the client and consultant during service delivery ( $X^2 = 44.389$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ); failure of the consultant to market for future consulting engagements in order to acquire experience ( $X^2 = 3.600$ ,  $df = 3$ ,  $p > 0.005$ ,  $X^2_{\alpha} = 12.838$ ); and turning down consulting opportunities ( $X^2 = 13.667$ ,  $df = 4$ ,  $p < 0.001$ ,  $X^2_{\alpha} = 14.860$ ). From the above, it is clear that all the challenges to consultant performance are significant since their  $X^2_{cal} > X^2_{\alpha}$  at  $p < 0.005$  except in the case of challenges such as failure of the consultant to market for future consulting engagements in order to acquire experience; and turning down consulting opportunities which have their  $X^2_{cal}$

$< X^2\alpha$  at  $p > 0.005$  and  $p < 0.001$  respectively. Hence all other challenges examined in this regard are significant as far as this research is concerned except in the case of failure of the consultant to market for future consulting engagements in order to acquire experience; and turning down consulting opportunities.

**Table 4.4: Challenges to Consultants Performance**

Consultancy challenges	Performance	N	Sum	Mean	RII	Rank	Chi-Square	df	p-value
1. Failure to establish rapport with the client		72	329	4.57	0.91	1	70.222 <sup>a</sup>	4	0.000
2. Taking the client for granted		72	290	4.03	0.81	2	26.778 <sup>b</sup>	3	0.000
3. Lack of effective communication		72	278	3.86	0.77	3	40.361 <sup>a</sup>	4	0.000
4. Lack of flexibility on the part of both the client and consultant during service delivery		72	264	3.67	0.73	4	44.389 <sup>a</sup>	4	0.000
5. Failure of the consultant to market for future consulting engagements in order to acquire experience		30	106	3.53	0.71	5	3.600 <sup>c</sup>	3	0.308
6. Turning down consulting opportunities		30	97	3.23	0.65	6	13.667 <sup>d</sup>	4	0.008

### Discussion of the Results

Having analyzed the results produced by the study above, it is important to discuss them. The reasons for consultancy performance measurement significantly identified by this study include making adjustment during project delivery; the deviation occurring during the consultancy. Others unfolded by the study include tracking the effectiveness of consultancy services delivery and to determine if resource allocation for service delivery is in the right direction. It is worthy to note that a key rationale for consultancy performance measurement revealed by the study is the need to know if the consultancy is achieving the right outcomes. Within the theoretical framework of this study Sonnentag and Frese (2002) extensively laid

much emphasis on performance outcomes. These results of the study on the reasons for consultancy performance measurement are in consonance with the viewpoint of UNDP (2002) on the need to formulate the main reasons for consultancy performance measurement.

The key performance indicators (KPI) are necessary for developing criteria for consultancy performance measurement in the construction industry. Extensive key performance indicators abound in existing literature. For instance Grasl (2009); Price waterhouse (2007) and Blair (2005) have all advance important key performance indicators and underscore their usage in performance measurement. Similarly, the findings of this research regarding KPIs of consultancy performance measurement are consistent with the work of the above Grasl (2009) among others as indicated earlier. The KPIs identified by this study include satisfaction with services provided by the consultancy firm; cost mitigation; and increase in quality. Others unfolded consist of the amount of time spent on the consultancy; and the success of the consultancy process. Within the theoretical of this study, Elger (2007) emphasized the need to increase the quality of service provided and reduction of cost during consultancy service delivery. Similarly, Sonnentag and Frese (2002) acknowledge satisfaction as a hallmark for high level performance. Satisfaction in this direction is twofold; firstly, the client and user satisfaction with the services provided by the consultancy and the consultant deriving satisfaction from their outcome as a result of high level of performance during the consultancy process. Performance indicators have the potential of igniting high level of performance as indicated by Gregory (1993) and Sonnentag and Frese (2002) within the theoretical framework of this study.

Juxtaposing the findings of this study regarding KPI for consultancy services delivery, with existing literature, it is clear that Blair (2005); Price waterhouse (2007); Nelson and Economy (1997); Grasl (2009); Costa and Formosa (2004); and Sebahatin and Adem (2012) have identified KPIs in their studies which are in consonance with this aspect of the research study.

Developing performance criteria for consultancy services delivery require key elements that would play pivotal role in crafting workable criteria. This research study explored three main elements for consultancy performance measurement in the construction industry. These key elements include the monitoring of progress of during the consultancy period; review of consultancy processes to update performance; and timetables and protocols for distribution of performance information to users. The study concluded that all these three elements: progress monitoring; performance review; and timetables and protocols for distribution of performance information to users are significant in the development of performance criteria in the construction industry. For instance, timetable for consultancy performance measurement in the construction industry is vital as it determines when performance measurement begins as construction project delivery is in stages namely pre-contract stage, contract stage and post contract stage.

Developing criteria for consultancy performance measurement in the construction industry would encounter challenges. The study unfolded challenges confronting the performance of consultants as failure to establish rapport with the client; taking the client for granted; lack of effective communication; and lack of flexibility on the part of both the client and the consultant during consultancy service delivery. Within the ambit of the theoretical framework for this study, the above findings regarding the challenges of consultant performance dovetail into the behavioral dimension of performance measurement which manifest in client-consultant relationship. Sonnentag and Frese (2002) and Campbell et al. (1993) have emphasized the behavioral dimension of performance which is consistent with the findings of this research study regarding challenges to consultants' performance.

## SUMMARY

This chapter of the study discussed and analyzed the data collected using key statistical tools such as the relative importance index and the chi-square test. The analysis yielded key findings such as the need to develop good rapport with clients; ensuring effective communication during consultancy engagement. The analysis also identified key elements of consultancy performance measurement to include progress monitoring; review and update of performance; and timetable and protocol for distribution of performance measurement information.



## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECCOMENDATION

#### 5.1 INTRODUCTION

This study was ignited by the desire to improve upon consulting performance. Over the years project stakeholders have lamented about the abysmal performance of consultants hence the conduct of this study is novel as far as it prescribes some modalities and point to the future actions that could be taken to avert the phenomenon of non-performance from consultants. The study is structured into five main chapters; chapter one dealt with the general introduction regarding the problem statement, significance of the study among others. Chapter two concentrated on literature review while chapter three dealt with the methodology adopted for the study. The chapter four is about the analysis and discussion of results; and finally, chapter five details the conclusion and recommendations of the study. This study seeks to devise parameters that would be adopted in the measurement of consultants' performance in terms of construction projects. The study adopted the quantitative approach with a sample size of 72 yielding a response rate of 90 per cent. The study identified key issues relating to consultant performance measurement including key performance indicators comprising of client satisfaction; changes brought by the consulting engagement; ability to mitigate cost escalation *inter alia*.

#### 5.2 REVIEW OF RESEARCH OBJECTIVES

The main aim of this research was to empirically identify the parameters for assessing the performance of consultancy firms in the procurement of construction projects in Techiman Municipality of Ghana. To achieve this aim of the study, the following objectives were set to drive home the research agenda:

**Objective 1: To thoroughly assess the existing practices of consultancy firms through a comprehensive literature review**

It is important to examine the existing consultancy milieu by conducting a literature review in order to be abreast with the level of consultancy performance. This study reviewed critical areas of consulting including historical dimension of consulting including the state of research in consulting; reasons for engaging consultancies; factors of successful consultancy; existing consultancy services; selection of consultancies for engagement; consultancy contracts; client-consultant relationship; challenges of consultancy; criteria for successful consultancy; concept of public procurement; key performance indicators (KPI) for consultancy firms among others. The review provided an opportunity for the research to identify the gaps in research as far as consultancy is concerned. The findings guided the conduct of the research especially in the design of survey questionnaire and the choice of methodologies for the conduct of the research.

**Objective 2: To identify the performance measurement criteria/indicators for consultancy firms**

This objective intends to ascertain the parameter of performance as far as consultancy engagements are concerned. The research uncovered key criteria for measuring consultancy engagements to includesatisfaction with services provided by the consultant; changes brought into the client's operations by the consulting intervention; successful implementation of the proposed solutions by the consultant; amount of time spent on consulting; ability to mitigate cost escalation of the project; the quality of the project implemented *inter alia*. It is clear that these are significant parameters upon which the measurement of consultant performance ought to be hinged as indicated by stakeholders. In so doing, consultants would be encouraged and motivated to deliver according to these set criteria to subsequently achieve value for money in the consulting process.

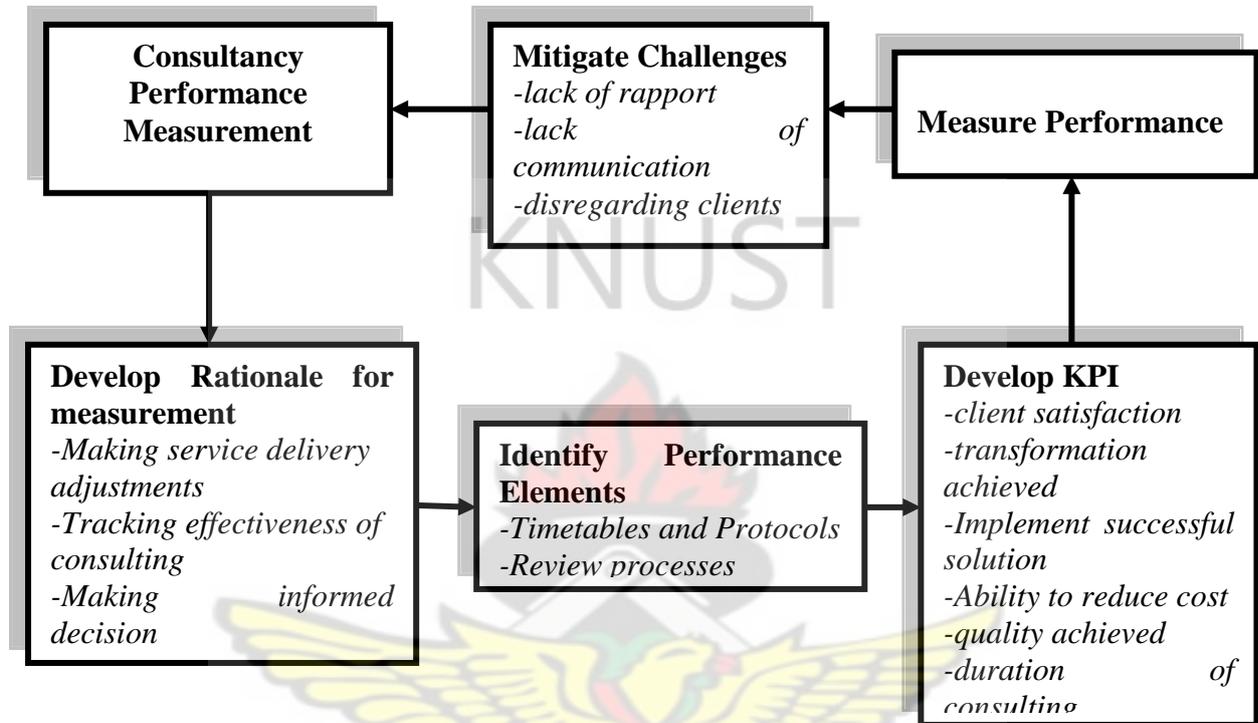
**Objective 3: To account for the challenges confronting consultancy firms in the discharge of their services to clients**

The challenges militating against the performance of consultants are numerous. The challenges have hampered the desire of consultancy stakeholders to achieve value for money during the procurement of works in the public sector especially. Consultants' performance challenges identified by the study comprise of failure to establish rapport with the client, taking the client for granted, lack of effective communication as well as the lack of flexibility on the part of both the client and consultant during service delivery. It is clear that these challenges have the potential of disorganizing the whole consultancy engagement hence precautions must be taken to avert their occurrence by the consultant especially.

**Objective 4: To establish a pragmatic framework for assessing the performance of consultancy firms**

To establish framework for measuring consultants' performance in public procurement, the study first examined the rationale for such a purpose. The rationale for measuring consultancy performance as found by the research study comprise of to make adjustments if the services delivery process is deviating; to track the effectiveness of initiatives and programmes being executed; to know if the outputs of consultants is achieving the right outcomes; and to monitor the progress of the consultation process. Similarly, the research identifies the elements of consultancy performance measurement. These elements are crucial to the development of a pragmatic framework which is holistic in nature to measure consultants' performance in public sector procurement. The identifiable performance measurement elements as far this research is concerned are to monitor the progress of the consultation process; review processes to ensure regular update of performance measurement; and timetables and protocols for distribution of performance information to users. The combination of the rationale for consultancy performance measurement and

elements of consultancy performance measurement would be enough to develop a sound framework hence other aspects of the research findings as indicated under the review of objectives 1, 2 and 3 are necessary to the development of the framework.



**Figure 5.1: A framework for consultancy performance measurement**

### 5.3 RECOMMENDATIONS

In the light of the above findings regarding section 5.2 of this chapter, the following recommendations are been advanced for implementation in the measurement of consultancy performance:

- Consultancy performance indicators must be identified and agreed upon by all stakeholders to the consultation process before the commencement of performance measurement;
- Stakeholders must agree on all elements of the performance process in order to achieve a realistic outcome of the performance measurement process;

- The rationale for performance measurement must be identified and made known to the consultant; and
- Consultancy performance measurement must be aimed towards the reformation and refinement of the consulting processes and the achievement of clients' satisfaction leading to value for money.

#### **5.4 DIRECTIONS FOR FUTURE RESEARCH**

- A future research into the modalities for implementing review processes for consultancy performance measurement would be a novelty;
- A study to identify the various strategies for mitigating the consultancy performance measurement identified in this study would be an added advantage towards furthering the course of consulting academically and practically;



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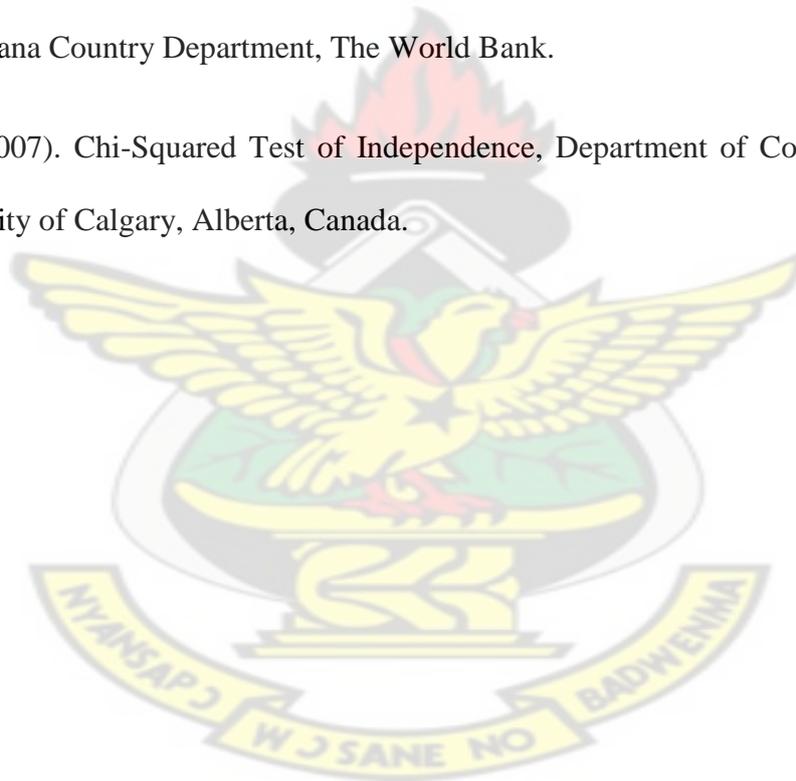
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## APPENDICES

### Appendix 1: Questionnaire

#### Work Experience

1. How long have you been providing consultancy services to clients?

under 10 years     11 – 20 years     21 – 30 years     over 30 years

#### *Rate of work acquisition*

2. How frequent do you render consultancy services to clients?

Not frequent     moderately frequent     frequent     very frequent

#### **Rational for consultancy performance measurement**

3. Do you think the performance of consultants should be measured because of the reasons in the table below? Please respond using the scale: 1= strongly disagree, 2= disagree, 3= moderately agree, 4= agree, 5= strongly agree.

No	Reasons for consultancy performance measurement	1	2	3	4	5
1	To know if the outputs of consultants is achieving the right outcomes					
2	To monitor the progress of the consultation process					
3	To make adjustments if the services delivery process is deviating					
4	To track the effectiveness of initiatives and programmes being executed					
5	To make informed decision concerning resource allocation for service delivery					

### Key Performance indicators

4. Do you agree that the following indicators should be adopted for measuring the performance of consultants? Use the scale: 1= strongly disagree, 2= disagree, 3= moderately agree, 4= agree, 5= strongly agree.

No	Key performance indicators/criteria	1	2	3	4	5
1	Satisfaction with services provided by the consultant					
2	The actual benefits accruing from the consultancy process					
3	Successful implementation of the proposed solutions by the consultant					
4	The level of usage of the consultancy intervention provided by the consultant					
5	Changes brought into the client's operations by the consulting intervention					
6	The amount of return on investment made into the consulting process					
7	Amount of time spent on consulting					
8	The quality of the project implemented					

### Elements of consultancy performance measurement systems

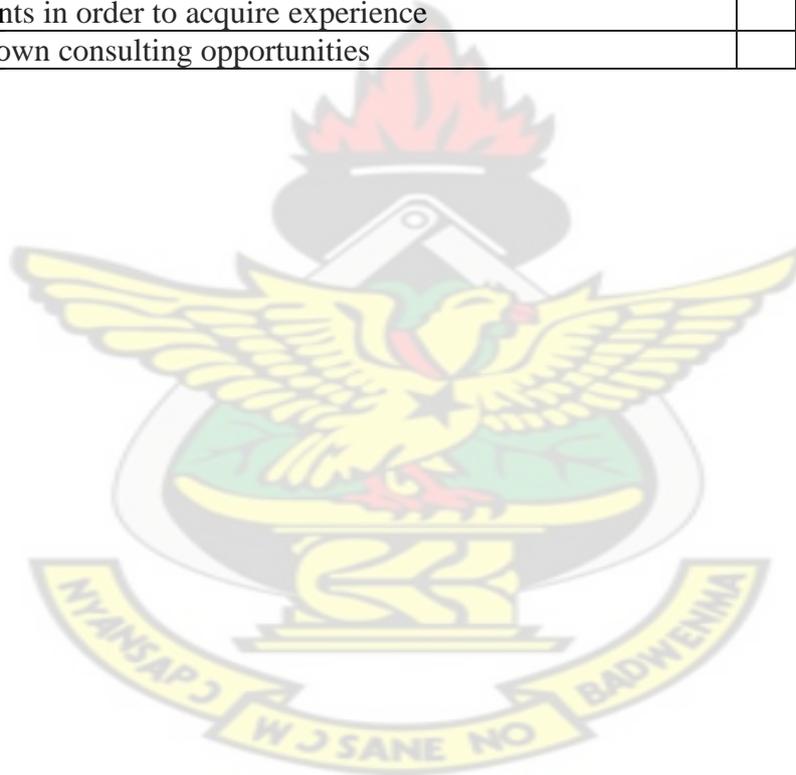
5. Do you agree that the following elements should be part of the performance measurement systems for consultants? Use the scale: 1= strongly disagree, 2= disagree, 3= moderately agree, 4= agree, 5= strongly agree.

No	Elements of performance measurement	1	2	3	4	5
1	Procedures for data collection and processing					
2	Timetables and protocols for distribution of performance information to users					
3	Review processes to ensure regular update of performance measurement					

### Challenges to consultants' performance

6. Do you agree that the following challenges can be impediments to the performance of consultants? Use the scale: 1= strongly disagree, 2= disagree, 3= moderately agree, 4= agree, 5= strongly agree.

No	Challenges to consultants performance	1	2	3	4	5
1	Failure to establish rapport with the client					
2	Taking the client for granted					
3	Lack of effective communication					
4	Lack of flexibility on the part of both the client and consultant during service delivery					
5	Failure of the consultant to market for future consulting engagements in order to acquire experience					
6	Turning down consulting opportunities					



## Appendix 2: Descriptive and Chi-Square Outputs

### Frequencies

#### Frequency Table

**Table1: Categories of population**

			Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Municipal Directors	Coordination	4	5.6	5.6	5.6
	Planners		4	5.6	5.6	11.1
	Consultants		9	12.5	12.5	23.6
	Engineers		19	26.4	26.4	50.0
	Contractors		36	50.0	50.0	100.0
	Total		72	100.0	100.0	

**Table2: Number of years been providing consultancy to clients**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 10 years	39	54.2	54.2	54.2
	11-20 years	22	30.6	30.6	84.7
	21-30 years	5	6.9	6.9	91.7
	Over 30 years	6	8.3	8.3	100.0
	Total	72	100.0	100.0	

**Table3: how frequent do you render consultancy services to clients**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Frequent	11	15.3	15.5	15.5
	Moderately Frequent	20	27.8	28.2	43.7
	Frequent	31	43.1	43.7	87.3
	Very Frequent	9	12.5	12.7	100.0
	Total	71	98.6	100.0	
Missing	Missing	1	1.4		
Total		72	100.0		

**Table 4: Descriptive Statistics**

	N	Sum	Mean
To know if the outputs of consultants is achieving the right outcomes	72	294	4.08
To monitor the progress of the consultation process	72	284	3.94
To make adjustments if the services delivery process is deviating	72	306	4.25
To track the effectiveness of initiatives and programmes being executed	72	299	4.15
To make informed decision concerning resource allocation for service delivery	72	297	4.13
Valid N (listwise)	72		

**Chi-Square Test****Table 5: To know if the outputs of consultants achieving the right outcomes**

	Observed N	Expected N	Residual
Strongly Disagree	2	14.4	-12.4
Disagree	2	14.4	-12.4
Moderately Agree	5	14.4	-9.4
Agree	42	14.4	27.6
Strongly Agree	21	14.4	6.6
Total	72		

**Table6: To monitor the progress of the consultation process**

	Observed N	Expected N	Residual
Strongly Disagree	1	14.4	-13.4
Disagree	4	14.4	-10.4
Moderately Agree	11	14.4	-3.4
Agree	38	14.4	23.6
Strongly Agree	18	14.4	3.6
Total	72		

**Table 7: To make adjustments if the services delivery process is deviating**

	Observed N	Expected N	Residual
Disagree	2	18.0	-16.0
Moderately Agree	4	18.0	-14.0
Agree	40	18.0	22.0
Strongly Agree	26	18.0	8.0
Total	72		

**Table 8: To track the effectiveness of initiatives and programmes being executed**

	Observed N	Expected N	Residual
Strongly Disagree	1	14.4	-13.4
Disagree	3	14.4	-11.4
Moderately Agree	3	14.4	-11.4
Agree	42	14.4	27.6
Strongly Agree	23	14.4	8.6
Total	72		

**Table 9: To make informed decision concerning resource allocation for service delivery**

	Observed N	Expected N	Residual
Strongly Disagree	2	14.4	-12.4
Disagree	1	14.4	-13.4
Moderately Agree	9	14.4	-5.4
Agree	34	14.4	19.6
Strongly Agree	26	14.4	11.6
Total	72		

**Table 10: Test Statistics**

	To know if the outputs of consultants is achieving the right outcomes	To monitor the progress of the consultation process	To make adjustments if the services delivery process is deviating	To track the effectiveness of initiatives and programmes being executed	To make informed decision concerning resource allocation for service delivery
Chi-Square	83.417 <sup>a</sup>	60.361 <sup>a</sup>	55.556 <sup>b</sup>	88.556 <sup>a</sup>	61.194 <sup>a</sup>
df	4	4	3	4	4
Asymp. Sig.	.000	.000	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 14.4.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 18.0.

### Descriptive

**Table 11: Descriptive Statistics**

	N	Sum	Mean
Satisfaction with services provided by the consultant	72	308	4.28
The actual benefits accruing from the consultancy process	72	283	3.93
Successful implementation of the proposed solutions by the consultant	72	298	4.14
The level of usage of the consultancy intervention provided by the consultant	72	235	3.26
Changes brought into the client's operations by the consulting intervention	72	306	4.25
The amount of return on investment made into the consulting process	71	268	3.77
Ability to mitigate cost escalation of the project	72	293	4.07
The quality of the project implemented	72	286	3.97
Amount of time spent on consulting	72	291	4.04
Implementation of health and safety regulations	72	281	3.90
Valid N (listwise)	71		

## Chi-Square Test

**Table 12: Satisfaction with services provided by the consultant**

	Observed N	Expected N	Residual
Strongly Disagree	1	18.0	-17.0
Moderately Agree	7	18.0	-11.0
Agree	34	18.0	16.0
Strongly Agree	30	18.0	12.0
Total	72		

**Table 13: The actual benefits accruing from the consultancy process**

	Observed N	Expected N	Residual
Strongly Disagree	1	14.4	-13.4
Disagree	3	14.4	-11.4
Moderately Agree	8	14.4	-6.4
Agree	48	14.4	33.6
Strongly Agree	12	14.4	-2.4
Total	72		

**Table 14: Successful implementation of the proposed solutions by the consultant**

	Observed N	Expected N	Residual
Strongly Disagree	2	18.0	-16.0
Moderately Agree	3	18.0	-15.0
Agree	48	18.0	30.0
Strongly Agree	19	18.0	1.0
Total	72		

**Table 15: The level of usage of the consultancy intervention provided by the consultant**

	Observed N	Expected N	Residual
Strongly Disagree	6	14.4	-8.4
Disagree	3	14.4	-11.4
Moderately Agree	33	14.4	18.6
Agree	26	14.4	11.6
Strongly Agree	4	14.4	-10.4
Total	72		

**Table 16: Changes brought into the client's operations by the consulting intervention**

	Observed N	Expected N	Residual
Disagree	2	18.0	-16.0
Moderately Agree	6	18.0	-12.0
Agree	36	18.0	18.0
Strongly Agree	28	18.0	10.0
Total	72		

**Table 17: The amount of return on investment made into the consulting process**

	Observed N	Expected N	Residual
Disagree	9	17.8	-8.8
Moderately Agree	14	17.8	-3.8
Agree	32	17.8	14.2
Strongly Agree	16	17.8	-1.8
Total	71		

**Table 18: Ability to mitigate cost escalation of the project**

	Observed N	Expected N	Residual
Moderately Agree	14	24.0	-10.0
Agree	39	24.0	15.0
Strongly Agree	19	24.0	-5.0
Total	72		

**Table 19: The quality of the project implemented**

	Observed N	Expected N	Residual
Disagree	1	18.0	-17.0
Moderately Agree	19	18.0	1.0
Agree	33	18.0	15.0
Strongly Agree	19	18.0	1.0
Total	72		

**Table 20: Amount of time spent on consulting**

	Observed N	Expected N	Residual
Disagree	2	18.0	-16.0
Moderately Agree	12	18.0	-6.0
Agree	39	18.0	21.0
Strongly Agree	19	18.0	1.0
Total	72		

**Table 21: Implementation of health and safety regulations**

	Observed N	Expected N	Residual
Disagree	3	18.0	-15.0
Moderately Agree	20	18.0	2.0
Agree	30	18.0	12.0
Strongly Agree	19	18.0	1.0
Total	72		



**Table 22: Test Statistics**

	Chi-Square	df	Asymp. Sig.
Satisfaction with services provided by the consultant	45.000 <sup>a</sup>	3	.000
The actual benefits accruing from the consultancy process	103.139 <sup>b</sup>	4	.000
Successful implementation of the proposed solutions by the consultant	76.778 <sup>a</sup>	3	.000
The level of usage of the consultancy intervention provided by the consultant	54.806 <sup>b</sup>	4	.000
Changes brought into the client's operations by the consulting intervention	45.778 <sup>a</sup>	3	.000
The amount of return on investment made into the consulting process	16.718 <sup>c</sup>	3	.001
Ability to mitigate cost escalation of the project	14.583 <sup>d</sup>	2	.001
The quality of the project implemented	28.667 <sup>a</sup>	3	.000
Amount of time spent on consulting	40.778 <sup>a</sup>	3	.000
Implementation of health and safety regulations	20.778 <sup>a</sup>	3	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 18.0.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 14.4.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 17.8.

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 24.0.

## Descriptive

**Table 23: Descriptive Statistics**

	N	Sum	Mean
Procedures for data collection and processing	72	301	4.18
Timetables and protocols for distribution of performance information to users	72	276	3.83
Review processes to ensure regular update of performance measurement	72	301	4.18
Valid N (listwise)	72		

## Chi-Square Test

### Frequencies

**Table 24: Procedures for data collection and processing**

	Observed N	Expected N	Residual
Moderately Agree	9	24.0	-15.0
Agree	41	24.0	17.0
Strongly Agree	22	24.0	-2.0
Total	72		

**Table 25: Timetables and protocols for distribution of performance information to users**

	Observed N	Expected N	Residual
Strongly Disagree	2	14.4	-12.4
Disagree	2	14.4	-12.4
Moderately Agree	18	14.4	3.6
Agree	34	14.4	19.6
Strongly Agree	16	14.4	1.6
Total	72		

**Table 26: Review processes to ensure regular update of performance measurement**

	Observed N	Expected N	Residual
Strongly Disagree	1	14.4	-13.4
Disagree	1	14.4	-13.4
Moderately Agree	6	14.4	-8.4
Agree	40	14.4	25.6
Strongly Agree	24	14.4	9.6
Total	72		

**Table 27: Test Statistics**

	Procedures for data collection and processing	Timetables and protocols for distribution of performance information to users	Review processes to ensure regular update of performance measurement
Chi-Square	21.583 <sup>a</sup>	49.111 <sup>b</sup>	81.750 <sup>b</sup>
df	2	4	4
Asymp. Sig.	.000	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 24.0.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 14.4.

### Descriptive

**Table 28: Descriptive Statistics**

	N	Sum	Mean
Failure to establish rapport with the client	72	329	4.57
Taking the client for granted	72	290	4.03
Lack of effective communication	72	278	3.86
Lack of flexibility on the part of both the client and consultant during service delivery	72	264	3.67
Failure of the consultant to market for future consulting engagements in order to acquire experience	30	106	3.53
Turning down consulting opportunities	30	97	3.23
Valid N (listwise)	30		

## Chi-Square Test

### Frequencies

**Table 29: Failure to establish rapport with the client**

	Observed N	Expected N	Residual
Strongly Disagree	2	14.4	-12.4
Moderately Agree	7	14.4	-7.4
Agree	37	14.4	22.6
Strongly Agree	25	14.4	10.6
33	1	14.4	-13.4
Total	72		

**Table 30: Taking the client for granted**

	Observed N	Expected N	Residual
Disagree	3	18.0	-15.0
Moderately Agree	14	18.0	-4.0
Agree	33	18.0	15.0
Strongly Agree	22	18.0	4.0
Total	72		

**Table 31: Lack of effective communication**

	Observed N	Expected N	Residual
Strongly Disagree	1	14.4	-13.4
Disagree	6	14.4	-8.4
Moderately Agree	14	14.4	-.4
Agree	32	14.4	17.6
Strongly Agree	19	14.4	4.6
Total	72		

**Table 32: Lack of flexibility on the part of both the client and consultant during service delivery**

	Observed N	Expected N	Residual
Strongly Disagree	1	14.4	-13.4
Disagree	9	14.4	-5.4
Moderately Agree	15	14.4	.6
Agree	35	14.4	20.6
Strongly Agree	12	14.4	-2.4
Total	72		

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**Table 33: Failure of the consultant to market for future consulting engagements in order to acquire experience**

	Observed N	Expected N	Residual
Disagree	5	7.5	-2.5
Moderately Agree	9	7.5	1.5
Agree	11	7.5	3.5
Strongly Agree	5	7.5	-2.5
Total	30		

**Table 34: Turning down consulting opportunities**

	Observed N	Expected N	Residual
Strongly Disagree	1	6.0	-5.0
Disagree	7	6.0	1.0
Moderately Agree	8	6.0	2.0
Agree	12	6.0	6.0
Strongly Agree	2	6.0	-4.0
Total	30		

**Table 35: Test Statistics**

	Failure to establish rapport with the client	Taking the client for granted	Lack of effective communication	Lack of flexibility on the part of both the client and consultant during service delivery	Failure of the consultant to market for future consulting engagements in order to acquire experience	Turning down consulting opportunities
Chi-Square	70.222 <sup>a</sup>	26.778 <sup>b</sup>	40.361 <sup>a</sup>	44.389 <sup>a</sup>	3.600 <sup>c</sup>	13.667 <sup>d</sup>
df	4	3	4	4	3	4
Asymp. Sig.	.000	.000	.000	.000	.308	.008

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 14.4.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 18.0.

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 7.5.

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.0.

