A GENERAL OVERVIEW OF IT USAGE LEVELS BETWEEN THE MANAGEMENT CONSULTING FIRMS IN TURKEY

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ABSTRACT

Although much has been written on skills and strategies of management consultants, little research has been done on what management consultants actually do (for example Dunford, 2000). There has been an increasing trend amongst the firms -especially large firms- in terms of employing management consultants for a range of services (De Jong and Van Eekelen, 1999:181). However, in Turkey, since the profile of the efficiency of the management consulting processes have not been transparent, there is a lack of understanding on what actually management consultants do. Furthermore there has not been any research done to explore how the management consultants in Turkey adopt the change dynamics they offer to their clients. This study is an attempt to understand the nature and insights of the management consulting profession in Turkey.

Management consulting is seen as a management tool for an increasing number of companies in Turkey. There are two types of management consulting firms appeared to be evident in Turkey: representatives of some foreign-originated firms (that most of them are popular and well-known with the quality of their services and they have a long list of clients and references) and Turkish management consulting firms (that mostly seemed to be established by some academics from the universities and other practitioners). The common goal of both management consulting types engage in adopting and sometimes imitating the best-practices of well-known firms.

In this study, foreign and local management consulting firms operating in Turkey will be analysed from the point of information technology and the profile of their knowledge creation and applications will be presented. As an exhibition of their knowledge standards and priorities, the contents of their web sites (www) will be analysed to see the main trends amongst the management consultants. In this way it is thought that the web sites will give some clues for their understanding of knowledge management especially for their standards in IT and other technology usage. This study is thought to be a gateway for further and more in-depth studies in the future.

Globalisation and Knowledge Transfer

The concept of globalisation has achieved much currency and a high degree of popularity in recent years. This is probably due to the fact that globalisation is transforming the world at a rapid pace and it is changing the traditional workplace and employment practices. Waters (1995: 1) reminds us about the importance of the globalisation process to contemporary society when she asserts that: "…just as postmodernism was the concept of the 1980s, globalisation may be the concept of the 1990s, a key idea by which we understand the transition of human society into the third millennium". Waters (1995) adds that it is a social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding. In a sense, globalisation implies a borderless world (Ohmae, 1995). Along the same lines Robertson (1992: 8) comments that: "Globalisation as a concept refers both to the compression of the world and the intensification of consciousness of the world as a whole…both concrete global interdependence and consciousness of the global whole in the twentieth century.

In the new world order, competition for markets has intensified. Long-term firm success and lasting superiority in the market is requiring more than a single competitive advantage of cost, quality or delivery. Future performance of a firm or even survival is not assured by either current size or performance. What seems necessary in the new globalised business environment is forward looking dynamism, swift strategic responses, operational flexibility, sustained effort, high level of energy, and continuous renewal. Hence, in the new world order, businesses have to develop and manage people who can think, lead and act from a broader or "global"

perspective. This global perspective or mindset creates a capacity in the managerial ranks to turn threats into opportunities; to motivate people not just to survive, but to excel, to take innovations to the market place at an increasingly faster pace; to operate through use of teams; and to take advantage of diversity within and without.

A range of management development techniques examined here in the context of a developing country indicate the need for modification and adaptation. There is also a need for discovering and developing indigenous modes and methods. Education and training is only part of the process. Developing country managers cannot be expected to acquire fully the mindset appropriate for today's world outside real-life opportunities for appropriate experience. One fully stretches and grows over a period of time, as a matter of career development, from being placed in appropriate positions and responsibilities. In other words, individual development takes place best in tandem with company growth phases towards globalisation such as becoming export oriented first, then becoming international or multinational and so forth. Thus, it is important to recognise that company structure and strategy act as aids (or constraints) in the development of global mindsets. Similarly, the macro-environmental factors also play a supportive or inhibitive role.

Within the global scene, best practices in any country context spread very rapidly initiating spontaneous changes for the companies. The problem within the Turkish Management Consulting System seems to be the adaptability dimension of the best practices achieved in different cultural settings. As only 'transplantation' has some risks for different cultural characteristics, the Turkish firms should be more selective in adapting the best-practices and experiences of different countries.

Management Consulting: Background

Over the last decade, the world wide management consulting industry has been growing, and continues to grow, at twice the rate of the world economy. This is a rate which even exceeds the growth rate of some technology sectors (Dennis, 1997). It generates revenues world-wide, billions of dollars, and has become, more than any academic institution, the source of the business world's leaders, executives and top managers. Top firms which are usually multinational, can employ anything upwards of 20,000 consultants world-wide. Another implication of such a trend is that 30 percent of all MBA graduates tend to enter the consulting profession (Hasek, 1997). Such strong growth and expansion of the management consulting industry can be ascribed to the changes taking place in the business environment around us and the resulting uncertainty.

Management consulting has been defined as 'an advisory service contracted for and provided to organisations by specially trained and qualified persons who assist, in an objective and independent manner, the client organisation to identify management problems, analyse such problems, recommend solutions to these problems and help when requested in the implementation of solutions (Greiner ve Metzger, 1983:7). This definition may be describing an ideal instead of a factual state, and it may even be impossible to provide an accurate definition of the management consultants (Wilkinson, 1986). It is widely acknowledged that management consulting plays an important role in modern business administration. The literature on management consulting can be divided into some general categories: Firstly, much has been written on how to perform management consultancy (e.g. Lippitt and Lippitt, 1978; Schein, 1987). Secondly, some research has been reported on management consultant values, attitudes, knowledge and opinions (for example Church et al., 1996). Some other literature focuses on what it takes to be an effective management consultant (e.g. McLean and Sullivan, 1993).

Within the literature, it has been emphasised that consulting firms appeared to contribute the strategic advantage of the firms in many ways (Dunford, 2000; Stumpf ve Tymon, 2001). Dunford (2000) indicates that the number of consulting firms will increase as they analyse, explore, define and finally solve the problems of business organisations professionally. The consulting profession also acts as a pushing and a leading force for modern management techniques' applications. However, as Dunford points out, especially in knowledge management area, that they are in a danger of mixing their comments with the theoretical structure of knowledge management. Stumpf and Tymon (2001) indicates that the average revenue of the American consulting firms has been increasing by %15 and hence, their demand for up-dated knowledge and more qualified personnel have become more apparent. It is also resulted by the fact that many clients seem to believe that management consultants are perfect partners for their change management initiatives (Werr et al, 1997). In this respect, it is evident that management consultants themselves have to update their knowledge capacities or in other words they have to be their own consultants. (Kumar et al, 2000).

Management Consulting in Turkey: A Sector Analysis

There are many and 'countless' management consulting firms operating in Turkey, but the specifications and groupings of those firms are quite difficult. The reason for such a claim that anybody can establish a consulting firm without any standard and requirements. Mostly entrepreneurially inclined, but sometimes without any

required qualification for consultancy, some people tend to establish such institutions just to make a 'quick money'. However, consultants are bound to survive within the market with their knowledge capacity and experience. So, there is a 'natural selection' process sorting consulting firms according to their quality specifications.

Thus, management consulting firms in Turkey have formed an association to ensure the standards to be accepted as a representation of the "consulting profession". Turkish Management Consulting Association (YDD) has been established by management consultants in 1991 (www.ydd.org.tr). YDD now has 130 members and is a well recognised institution among business circles and NGOs. YDD promotes the code of professional conduct, serves as a platform for sharing experiences and building relationships among consultants. There is no other organisation in Turkey founded by management consultants or for management consultancy.

There are two types of membership status in YDD, full and associate members. Full members must be practising management consultants with at least 3 years of job experience and full understanding and commitment to code of conduct. Associate members are either management consultants with less than 3 years of experience or people not practising, but interested in management consulting profession. Associate members do not have voting rights and cannot become officers, but can participate in all activities of the association. Application and admission process requires consultants to provide client references and the Membership Committee reserves the right of checking client references. Current members provide services in general management, strategy formulation, human resources management and training, quality improvement, financial management and information technology. YDD members provide services to a wide range of clients, from multinationals to small family enterprises. YDD is a legal entity formed, certified and run according to governing laws of Turkey

There are 130 individual Institute Members (Full member: 118 + Associate member: 12) in total and since Turkish law does not allow firms to become members of associations. Therefore all YDD members are individuals. YDD members currently represent 90 consulting firms.

Potential members fill-out a detailed application form, where they provide information about educational and professional background, including specific project experiences. Applications are investigated by the Membership Committee. The committee may check the references or have a face to face interview with the candidate when necessary. The membership committee forms a suggestion to the board about the acceptance and membership status of the applicant. The board decides on the application based on the Membership Committee's suggestion.

A Qualitative Inquiry into the Management Consulting firms in Turkey

The term 'qualitative' appears to be appropriate in the light of Van Maanen's (1983:9) definition of qualitative methodology as, "an array of interpretative techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less natural occurring phenomena in the social world". In other words, qualitative research is any kind of research that yields findings not arrived at by means of statistical procedures or other means of aggregation.

Although much has been written on skills and strategies of management consultants, little research has been done on what management consultants actually (for example De Jong and Van Eekelen, 1999). In this study, content analysis of corporate web sites have been used to present the main trends in management consulting profession in Turkey. A central idea in content analysis is that the many words of the text are classified into much fewer content categories. Content analysis uses a set of procedures to make valid and reliable inferences from text.

Content analysis technique was developed by Holsti (1969) and some other contemporary researchers developed and applied this research technique successfully (e.g. Luborsky, 1994). This technique was modernised in recent management studies, as parallel to the technological improvements, and corporate internet sites have been taken as a new data collection medium (for example Perry and Bodkin, 2000).

In this respect, the research sample was taken from the members of the Turkish Management Consultants Association (YDD): The consultants that the links have been given from the Association's web site were included in the study. The site (www.ydd.org.tr) was selected due to its capability to represent the management consultants ensuring the international standards.

Findings and Concluding Remarks

For the content analysis of the corporate web sites; the features of consulting firms, whether they have a mission statement (Bart, 2001), their profile in IT usage and also the feasibility of their proposals within the Turkish context. However, we should assert a major limitation of this study: we have to rely on the information given on the web sites of consulting companies. Within the literature, it is commonly seen that, most studies on management consultants are based on consultants' own reports, publications and, hence, the perceptions of the clients (customers) are often neglected. (Fagenson ve Burke, 1990; O'Driscoll ve Eubanks, 1993).

As a result of the content analysis of the corporate web sites, the first impression of their web sites is their disorganised and often too general consultancy (expertise) areas. It is probably due to the fact that consulting firms tend to encompass all possible areas of knowledge as a result of their effort in 'customer retention'. The sector-oriented distribution of the consulting services offered are also dispersed. It is difficult to understand this from the logic of expertise point of view. Another main point is that their 'qualified' and 'expert' professional human resources seem to be lacking in many areas. It is difficult (or impossible) to meet such variety of demands from different knowledge and experience areas. The most common practical answer to this dilemma is employing academics, however their lack of experience in the 'real world' is their weakness and most consulting companies prefer to employ 'non-qualified' graduates because of cost advantages.

After this general overview step, the web sites of the consulting firms are studied in-depth, especially to distinguish between their service standards. 34 out of 42 companies have 'Human Resources Management' expertise area and they generally offer 'Personnel Selection' (sometimes 'head-hunters'), 'Performance Appraisal' and 'HR Development' (mostly as seminars introducing modern management techniques). For example for strategic human resources management (SHRM) which is one of the recent and important developments within the HRM field, there is no *trace* of knowledge on the subject. So, it can be assumed that the knowledge of consulting firms seemed not to be 'updated'.

The second area consulting firms appeared to use extensively is 'Information Technology' area. Most of the consulting firms provide hardware and software support, certificate programmes and other technical assistance to their clients and they generally employ young graduates. Our study also analysed the usage of technology by the consultants themselves and found that they are not pioneers of technology and as far as it can be seen from their web sites, they are not in their 'ideal' situation as a 'up-to-date knowledge seekers'.

As a result of the explicit profile of the web sites, it can be said that most of the consulting firms prefer 'importing' knowledge and just adopt it to a case. Cultural differences are not considered adequately and since the 'cultural infrastructures' are so different according to a country's development stage, the results are not always desirable.

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APPENDIX 1- RESEARCH SAMPLE (FROM THE MEMBER LIST OF YDD)

NAME OF THE CONSULTING FIRM
ADECCO HİZMET VE DANIŞMANLIK A.Ş.
AKTİF BİLGİSAYAR HİZMETLERİ DANIŞMANLIK LTD.
ALANYALI VE ALANYALI İNSAN KAYNAKLARI DANIŞMANLIĞI
ALTER DANIŞMANLIK VE EĞİTİM HİZMETLERİ TİC. LTD. ŞTİ.
ANKON DANIŞMANLIK HİZMETLERİ A.Ş.
ARGEDA ARAŞTIRMA GELİŞTİRME EĞİTİM VE DANIŞMANLIK MERKEZİ
ARIVA CONSULTING BİLGİSAYAR YAZILIM DANIŞMANLIK SAN. TİC. LTD. ŞTİ.
BİRAY SORMAN
BUREAU VERITAS GÖZETİM HİZMETLERİ LTD. ŞTİ.
CAPELLA & AURIGA HUMAN RESOURCES CONSULTING
DD DEĞİŞİM DİNAMİKLERİ YÖNETİM MERKEZİ LTD. ŞTİ.
DELOITTE & TOUCHE DANIŞMANLIK HİZMETLERİ LTD. ŞTİ.
ELITE DANIŞMANLIK
EPS-EKPRESS PERSONEL VE SERVİSİ DANIŞMANLIK LTD. ŞTİ.
ERNST & YOUNG YÖNETİM DANIŞMANLIĞI A.Ş.
ETKİN YÖNETİM İŞLETMECİLİĞİ & DANIŞMANLIK
GRANİT YÖNETİM DANIŞMANLIĞI LTD. ŞTİ.
HERMES YÖNETİM DANIŞMANLARI VE EĞİTİM MERKEZİ
HUMAN RESOURCES MANAGEMENT
ICC DANIŞMANLIK VE BİLGİ HİZMETLERİ A.Ş.
ICC ULUSLAR ARASI DANIŞMANLIK ORGANİZASYON A.Ş.
IRONMAN CONSULTING
KALGEM DANIŞMANLIĞI EĞİTİM ARAŞTIRMA MERKEZİ A.Ş.
KALMER KALİTE YÖNETİM MERKEZİ EĞİTİM VE DANIŞ. LTD. ŞTİ.
KAMPÜS A.Ş.
KOÇSİSTEM/BTİ
MAG MÜŞAVİRLİK ARAŞTIRMA GRUBU A.Ş.
MAY DANIŞMANLIK, ORGANİZASYON-YÖNETİM GELİŞTİRME HİZMETLERİ LTD. ŞTİ.
MAYA İNSAN KAYNAKLARI DANIŞMANLIK EĞİTİM A.Ş.
MNA YÖNETİM VE TANITIM HİZM. ORG. DANIŞ. TİC. LTD. ŞTİ.
NMT DANIŞMANLIK VE EĞİTİM MERKEZİ TİC. LTD. ŞTİ.
PDR ÖZEL EĞİTİM VE DANIŞMANLIK LTD. ŞTİ.
POLARİS YÖNETİM DANIŞMANLIK HİZMETLERİ LTD. ŞTİ.
PROFIL INTERNATIONAL
PUSULA EĞİTİM VE DANIŞMANLIK LİMİTED ŞİRKETİ
RCC EĞİTİM VE DANIŞMANLIK
RGA YÖNETİM DANIŞMANLIK VE TURİZM LTD. ŞTİ.
STRATA TRAINING & CONSULTING (ECU EĞİTİM VE DANIŞMANLIK HİZ. SAN. VE TİC. LTD. ŞTİ.
TANGRAM YÖNETİM DANIŞMANLIK A.Ş.
TÜV RHEINLAND BERLIN BRANDENBURG GROUP TÜRKİYE/ISAC ULUSLAR ARASI SİSTEM DANIŞMANLIĞI DENETİM A.Ş.
YES CONSULTRAINING/YÖNETİCİ EĞİTİM SİSTEMLERİ
YÖSİDA YÖNETİM SİSTEMLERİ DANIŞMANLIK LİMİTED ŞİRKETİ