

AN EVALUATION OF MANAGEMENT'S IMPACT ON KNOWLEDGE AND RELATED
SERVICE DIVERSIFICATION WITHIN QUANTITY SURVEYING FIRMS

by

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DECLARATION

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Signed

Date

ABSTRACT

Many South African quantity surveying practitioners are not committed to developing knowledge and skills, a factor that may hinder the development and viability of the firm. Owing to this problem, the research focuses on the strategic role of management with an emphasis on the support mechanisms for learning and the development of knowledge. The research population focuses on professional quantity surveying firms in the Western Cape region of South Africa. The aim of the research is to understand and identify key components of management's strategic influence on: (a) the organisation's culture, (b) the development of knowledge and (c) the development of related services and skills within professional quantity surveying firms.

The research methodology consists of both qualitative and quantitative methods. Management members provided qualitative data by participating in interviews and staff members provided quantitative data by completing questionnaires. The data for the research comprised a criterion sample of eleven small- and medium-sized diversified firms. The core elements of the research are the organisational culture, learning, and the development of knowledge and service diversification. The research expands information on management's role in the organisation's culture and development of knowledge in professional quantity surveying firms.

The research found that there are many supportive learning elements within the organisational cultures of most quantity surveying firms. Most management members discuss employee development and performance issues, and the lessons learnt from projects. Management occasionally mentors employees and regularly allows employees to undertake challenging work activities. Management members do not, however, include employees in the development of the firm's related services. Management primarily established related services because there was a need for these services. The development and transfer of related service knowledge and skills are restricted to management members to a large degree. Management's influence on the development of knowledge and skills of employees is somewhat limited and inconsistent.

Organisational culture factors such as job satisfaction and the professional development of staff members have to be given appropriate attention by management, especially from a consistency and formal standpoint. Elements that require reviewing include the time allocated for internal learning activities and learning initiatives, other than on-the-job training. Service diversification factors, such as management members restriction of staff members to

core quantity surveying services, also have to be reconsidered. Elements of some related services may improve the quality of core quantity surveying services.

KEYWORDS: QUANTITY SURVEYING; PROFESSIONAL SERVICE FIRM; CULTURE; LEARNING; KNOWLEDGE; SERVICE DIVERSIFICATION

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GLOSSARY

List of abbreviations and acronyms:

ASAQS:	The Association of South African Quantity Surveyors. ASAQS acts as an agent on behalf of the SACQSP to maintain the goals of the quantity surveying profession.
PQS:	Professional quantity surveyor
PSF:	Professional service firm
SACQSP:	The South African Council for the Quantity Surveying Profession. The Council is the governing body for quantity surveyors in South Africa and is established in terms of the <i>Quantity Surveying Profession Act 2000 (Act 49 of 2000)</i> .

List of terms:

Client:	An individual (or person representing a business) that uses the services of an organisation or a professional (<i>Concise Oxford English Dictionary</i> , 2008:267).
Diversification:	Diversification is a development strategy that involves the expansion of the firm's services (Kaiser & Ringlstetter, 2011:13).
Knowledge:	The <i>Concise Oxford English Dictionary</i> (2008:789) defines knowledge as the skills and information accumulated by means of an education or experience.
Professional:	A competent person registered in terms of the <i>Quantity Surveying Profession Act 2000 (Act 49 of 2000)</i> . A registered quantity surveyor has to comply with the professional body's principles and regulations.
Services:	Services are intangible in nature. Services rely on extensive interaction between client and company. Intellectual knowledge usually acts as the foundation of the service (Heizer & Render, 2004:9-10).

Staff members: For the purpose of the study, staff members refer to both junior and senior employees. Staff members possess a quantity surveying qualification.

Strategy: A plan enabling the realisation of a specific long-term objective (*Concise Oxford English Dictionary*, 2008:1425).

CHAPTER 1

INTRODUCTION

1.1 Introduction

Management performs an important function in a professional service firm (PSF) (Løwendahl, 2005:58). Hambrick and Mason (1984:193) state that firms are a reflection of top management. Management can support the viability and development of the firm by supporting the skills development of staff members. Management can also promote an internal environment that supports learning and the development of knowledge. The development of knowledge may occur through both internal and external learning initiatives. The development of knowledge and skills of staff members within professional quantity surveying firms can enable the firm to compete in additional construction-sector markets, which may increase work opportunities for the firm. According to Quinn et al. (1996b:71), producing useful services by managing the intellect of individuals is becoming an essential skill of executives.

1.2 Background

1.2.1 to the research problem

According to Verster and Hauptfleisch (2009:122; 123; 138), changes are taking place at a structural level in South Africa's quantity surveying profession. Structural changes in the profession include, among other factors, the necessary services on offer to clients. Factors such as education, continuous professional development, research, and training are becoming essential. Even so, many professional quantity surveyors (PQSs) in South Africa are not paying sufficient attention to personal development in a competitive and changing environment. Consequently, many PQSs are not actively building the knowledge and skills base of the profession.

Knowledge drives today's economy and, as a result, most businesses tirelessly attempt to maximise the benefits of knowledge (Wenger & Snyder, 2000:139). The key to success in this age of globalisation is developing and controlling knowledge (Prokesch, 1997:148). Knowledge is the only sustainable source of competitive advantage in an economy where uncertainty is the only guarantee (Nonaka, 1991:96; Hitt, Ireland et al., 2001:20). Knowledge is just as significant to a company as the clients of a company. Services are merely the mechanism for exchanging client purchasing power for company knowledge (Drucker, 1964:104). Nonaka

(1994:14) contends that firms should also *produce* knowledge apart from *utilising* knowledge. By using knowledge and skills through the provision of services to a client, the quantity surveying profession can enhance its advancement, authority, and status (Male, 1990:191-192).

The development of knowledge and skills can be influenced by management, who, according to Løwendahl (2005:58), play a pivotal role in the prosperity of a PSF. Managers are responsible for the strategies and effectiveness of organisational outcomes (Hambrick & Mason, 1984:193; Hitt, Ireland, et al., 2001:34; Tainio et al., 2001:428; Ansoff, 2007:85). Through influence, a manager is able to direct a firm to important organisational initiatives (Mintzberg, 1990:171) like service diversification. Diversification into related service fields enables a firm to share activities, and transfer skills and core competencies, which allow a firm to save on overhead costs, since activities and resources are shared (Lynch, 2006:417; 419). According to Murphy (2012), the formal strategic planning initiatives of quantity surveying firms have to include staff members in the process, and have to be realistic and organised. The management of strategic initiatives can be influenced by an organisation's culture (Smith & Vecchio, 1993:53). The culture of an organisation comprises the learnt and shared unspoken beliefs that guide people's behaviour in the organisation (Schein, 1999:24).

1.2.2 to the quantity surveying profession

Education of a professional quantity surveyor

There are many routes to becoming a registered or professional quantity surveyor. A professional quantity surveyor (PQS) can obtain a Bachelor of Science degree in Quantity Surveying (BSc QS) from an accredited university and or complete a Bachelor of Technology degree in Quantity Surveying (BTech QS) at an accredited university of technology (see Appendix A for the quantity surveying curricula). From January of last year (2013), quantity surveying candidates were required to complete eighteen of the professional skills modules as dictated by the South African Council for the Quantity Surveying Professions (SACQSP) (Le Roux, 2009). The Council's professional skills modules include related service modules like life cycle appraisals, value management, and dispute resolution (SACQSP, 2013:1-8). Once the skills modules are completed, the candidates qualify for the competency assessment interview (Le Roux, 2009). When the assessment is

successfully completed, the candidate qualifies for professional registration with the SACQSP (Le Roux, 2009).

Quantity surveying candidates (also known as junior quantity surveyors), according to Boon's (2008) study in New Zealand, receive mentoring through a formal process. Quantity surveying graduates participate in structured development programmes, but professional quantity surveying firms do not appear to have mentoring programmes for the development of senior professionals.

Quantity surveyors' area of expertise

The Royal Institution of Chartered Surveyors (RICS) has outlined a general list of quantity surveying competencies (see Appendix B for the list). There are various other competencies specifically suited to match the quantity surveyor to the quantity surveyor's area of specialty.

Quantity surveyors ensure that construction resources are efficiently used. Quantity surveyors are the cost consultants to the client and the project designer throughout the construction development process (RICS, 1971). Quantity surveyors are active in a construction industry, which expands into real estate and infrastructure sectors. This enables quantity surveyors to participate in every aspect of the construction industry (RICS, 2006a:4).

A quantity surveyor should have a thorough understanding of construction, ranging from initial construction costs to the building's life cycle costs (lifelong maintenance costs). Interpreting client needs, cost control, and valuing quality are some of the skills a quantity surveyor has to possess (RICS, 2006a:4).

According to Matzdorf et al. (2000:93), staff members in the quantity surveying profession must analyse the external environment and act according to any forthcoming opportunities. Professionals should avoid working with a limited set of knowledge and in a limited area of specialisation. Professionals should not be restricted to offering only traditional services, but instead offer additional services that the client may want. Professionals need to respond to any changing requirements within the market and adapt to the situation.

The quantity surveying practice

A professional quantity surveying practice is a professional service firm (PSF) in the Built Environment. A PSF has three distinct attributes, namely, knowledge intensity, low capital intensity, and professional personnel (Von Nordenflycht, 2010:155). Starbuck (1992:715) asserts that knowledge intensity suggests the most significant feature of the firm to be knowledge, whereas Greenwood et al. (2005:661) indicate that the knowledge in PSFs is complex. Professional personnel are competent and well educated (Alvesson, 1995:153). Low capital intensity implies the production of the service is not dependent on significant use of assets such as equipment and inventories (Von Nordenflycht, 2010:162). Additionally, the SACQSP regulates South African quantity surveyors in terms of operational standards and codes of conduct.

According to a study in Hong Kong by Fong and Choi (2009:115), professional quantity surveying practices do not find importing external knowledge an essential part of operations. Professional quantity surveying firms consider existing knowledge stocks to be sufficient to implement tasks. When new knowledge is imported, the new knowledge owner is rarely part of the practice's daily production of services. Hiring relevant knowledgeable people seems to be a common assumption. Major professional quantity surveying firms are reluctant to employ individuals who have accumulated experience from other professional quantity surveying firms. The reason for this is that the adopting professional quantity surveying firm may have difficulty adjusting the new employee's pre-programmed mental models and working style.

1.3 Problem statement

For South African quantity surveying firms to remain viable, the development of knowledge and related services becomes an important undertaking. Management can significantly influence such an undertaking, given that management plays a key role in organisations. Through the support of management, the development of knowledge and related services can benefit the client, employees and, ultimately, the welfare of the firm. To achieve this, supportive learning elements within firms need the appropriate attention and maintenance. However, many quantity surveying practitioners are not committed to developing knowledge and skills. The lack of commitment towards developing knowledge and skills may hinder the development and viability of the firm.

1.4 Aim of study

The aim of the research is to establish an understanding of and identify key components of management's strategic influence on: (a) the organisation's culture, (b) the development of knowledge and (c) the development of related services and skills within professional quantity surveying firms in South Africa.

1.5 The main research question

What strategic role does management play in the organisation's culture to support the development of knowledge and the development of both related services and skills in professional quantity surveying practices?

Through an investigation into management's strategic role in the development of knowledge and related service skills in professional quantity surveying firms, recommendations for future initiatives may be furnished. These recommendations may assist management to configure organisational elements to improve the development of knowledge and skills in firms. The research objectives listed below aim to resolve the abovementioned enquiry.

1.6 Research objectives:

- 1.6.1 To determine the strategic role of management within professional quantity surveying practices from a supportive learning culture perspective.
- 1.6.2 To determine management's influence on the development of knowledge through learning mechanisms in the firm's culture.
- 1.6.3 To determine management's involvement in the development of related services leading up to the development of related service skills within the organisation's culture.

1.7 Research methodology

The research comprises qualitative and quantitative methods, but the study consists mostly of qualitative data. The research approach is qualitative. The purpose of the quantitative data is to challenge the qualitative data.

Interviews seek to acquire qualitative data from management members. A qualitative study focuses on understanding and explaining an occurrence within a natural setting, with the intention of understanding the contributions of the various respondents (Maree, 2007:51).

Questionnaires aim to acquire quantitative data from a senior quantity surveying member or a junior quantity surveying member within the firm. Questionnaires contain Likert-scale type questions, which allow the researcher to gauge the participant's attitude toward certain characteristics (Maree, 2007:167).

The data collection consists of a criterion sample of small and medium diversified professional quantity surveying firms. A criterion sample implies that certain characteristics (criteria) are present in the selected sample (Maree, 2007:79-80).

A multiple case study design was chosen for this research. Case studies are ideal for learning about a poorly understood set of circumstances (Leedy & Ormrod, 2010:137).

1.8 Delineation of the research

A number of factors outline the research. An outline guides the researcher and allows the aim of the study to be realised. Delineating the study also ensures that the research process remains efficient and effective.

This study is restricted to professional quantity surveying practices in the Western Cape region of South Africa. The research focuses on small- and medium-sized diversified firms. Business with a single owner and operator are excluded from the study. The study does not cover related diversification by means of mergers with diversified firms, that is, an acquisition of a diversified firm or a professional quantity surveying firm that sub-contracts related services to specialist firms. Organisations offering related services internally, namely, through learning, development of knowledge, hiring technical staff and transferring skills, and by means of collaboration through joint ventures, are included in the study.

Previous research like that by Lim (1995) and Ramlall (2008) studied the relationship between culture and performance, and culture and success, respectively. Very (1993), Skaggs and Droege (2004), and Kor and Leblebici (2005), on the other hand, attempted to establish a relationship between service diversification and business success. This study does not encompass diversification and success. Instead, the

study attempts to establish an understanding and identify key components of management's strategic influence on the organisation's culture, the development of knowledge, and related services and skills in professional quantity surveying firms. Linkages resulting from the study may be highlighted. Even so, the influence of the organisation's culture and the development of knowledge on organisational success or performance are not the premise of the study.

1.9 Ethics

The research conforms to the Cape Peninsula University of Technology (CPUT) codes of ethical practice. Confidentiality in respect of names of individuals and organisations is maintained. Codes are used to classify individuals and/or organisations to ensure anonymity.

The researcher does not anticipate the results of the research can significantly benefit any firm. The research is informative, but is not a blueprint for corporate success or domination to the detriment of other firms in the built environment.

1.10 Significance of the research

There is a paucity of research on management's role in professional service firms (Sahin, 2011:414), particularly the lack of practical evidence on PSF within the construction industry (Murphy, 2012). This research is expected to aid professional quantity surveying firms by highlighting the role of management in professional quantity surveying firms. Development processes, in addition to other relevant literature, are analysed and included in the study. Greenwood et al. (2005:671) indicate that it is important to understand PSFs because PSFs play a significant role in the economy. The study aims to establish an understanding of and identify key components of management's strategic influence on the organisation's culture, the development of knowledge, and the development of related services and skills in professional quantity surveying practices in South Africa, which is significant.

The study benefits research scholars, professional quantity surveying, and professional consultancy firms in South Africa's construction industry. The findings of the research shed light on the organisational culture and learning and development characteristics of professional quantity surveying firms. The findings may reveal relationships between cultural elements, the development of knowledge, and the development of related services and skills within professional quantity surveying practices.

1.11 Structure of thesis

The main elements of each chapter of the thesis are addressed and presented logically below:

- Chapter 2: The literature review – the literature review chapter reviews relevant literature and clarifies the key components of the study.
- Chapter 3: Research methodology – the research methodology chapter describes the guidelines and process through which the data is collected.
- Chapter 4: The findings and analysis of the research – the findings and analysis chapter presents the data collected from the research interviews and questionnaires.
- Chapter 5: The last chapter revisits the research objectives and provides recommendations and a conclusion. This chapter finalises the research.

CHAPTER 2

ORGANISATIONAL CULTURE; LEARNING AND SERVICE DIVERSIFICATION

2.1 Introduction

Literature reviews enable the researcher to re-evaluate the work of other authors. A thorough examination of related literature forms an important part of successful study (Brynard & Hanekom, 2006:38). Literature reviews of previous research problems contain vital theoretical arguments and findings. The literature does not have to be identical to the researcher's problem, but the literature has to be in a similar area of concern (Leedy & Ormrod, 2010:66-67).

A researcher can investigate a problem effectively if the area of concern has been sufficiently reviewed (Leedy & Ormrod, 2010:67). The research problem can be clarified and given meaning by the literature review. The theory behind the problem can be expressed by the review. Additionally, the review allows the researcher to express the knowledge and intellectual perspectives that relate to and underpin the study (De Vos et al., 2005:123; 263).

The literature review chapter is divided into three sectors, namely, organisational culture, learning and the development of knowledge, and service diversification. The organisational culture component was chosen so that the support mechanisms for learning could be evaluated within professional quantity surveying firms. The development of knowledge component allows the researcher to examine the mechanisms by which individuals learn and acquire knowledge. The service diversification component was chosen so that the development and transfer of related service knowledge and skills could be examined. All three sections of the study have a learning and organisational development premise.

Professional Service Firms (PSFs) are unique on numerous levels so generic strategic management frameworks cannot apply without considerable alterations (Løwendahl, 2005:185-86). Research on professional service firms evinces similar characteristics in structure and management as other types of organisations, as well as distinct differences (Malhotra & Morris, 2009:895). Differences in PSFs may likely be the area of expertise and the way in which services are produced.

2.2 Factors influencing the organisational context

Factors such as the external environment, construction industry, and factors influencing people in the organisation, form part of the background of the literature review chapter. The abovementioned factors have an influence on the organisation. The three previously mentioned factors are explained below:

2.2.1 The external environment

In the construction industry, factors such as the overall economic circumstances, availability of credit, interest and inflation rates, and public-sector expenditure influence construction activity (Seeley, 1997:1). The rise of Information Technology (IT) has significantly affected quantity surveying (Cartlidge, 2006:17). According to Matzdorf et al. (2000:94), the services of the quantity surveyor have seen drastic changes over the years; Verster and Hauptfleisch (2009:122) have affirmed that the changes within the quantity surveying profession are structural. According to Matzdorf et al. (2000:94), diminished quantity surveying services such as rental appraisals and producing measured documents, for example, are now automated by computer software.

Quantity surveying firms offer new services such as facilities management, among others. Apart from a changing market, clients have also changed. Clients are increasingly challenging, selective, and knowledgeable. In essence, the client is becoming demanding. A demanding relationship exists between clients and professionals, and the effects thereof are overwhelming a number of professionals. Ashworth and Hogg (2002:87) assert that the changes in the construction industry are a natural occurrence. People, ultimately, become obsolete and unemployed when they refuse to adapt to the changes in the industry.

2.2.2 Construction industry's impact on people and work

Factors discouraging people from working in the construction industry are the industry's informal employment processes. The industry also has an embedded culture, which excludes entry to individuals that cannot adapt to the industry's standards and norms. Aspects such as structural separation, employment diversity and continuous temporary-type projects await individuals wishing to enter the construction environment (Dainty et al., 2007:3).

2.2.3 Factors influencing people

The factors initially attracting individuals to find employment with a particular company are somewhat different from the factors that cause people to remain in or depart from the company. Factors like organisational factors, job factors and manager/leader factors affect the decisions of employees. Issues like benefits, career prospects, the organisation's reputation and rewards constitute organisational factors. Aspects such as having the opportunity to do challenging work, developing new skills and the activity schedule at work represent job factors. Factors like trustworthiness, feeling valued, good motivation, a flexible approach to solving work problems and the level of support that management provides staff members with constitute manager and leadership factors. In terms of rank, organisational factors are at the top of the list, immediately followed by job factors, and finally manager factors. From the outcomes, organisational factors are the most significant. Indeed, potential employees know hardly anything about the manager when seeking out a job, as opposed to the salary and work benefits of the advertised position (Taylor, 2003:36).

2.3 Organisational culture

2.3.1 Introduction

This section covers organisational culture elements, which include certain behavioural components. Essential factors like the behavioural characteristics, communication, commitment, motivation, employee empowerment, work attitudes, and organisational culture elements are evaluated.

2.3.2 Cultural elements:

2.3.2.1 Shared values

Values are ideals that the company abides by (Noe, 2008:52). Values are essential because values guide people's behaviour (Nelson & Quick, 2003:133). At the heart of an organisation's culture are shared values. Shared values can bind the company to important initiatives, convert activities from routine to significant actions, and may even be at the core of organisations' competitiveness. New employees in the workplace are often trained to adopt established work methods, which are taught as the correct way to feel and

think. Solutions to daily problems are attributed to the values of the organisation (Schermerhorn et al., 2008:372).

An organisation can access strong and intimate regions of an individual conscience by connecting the actions of a person with the shared values. When a person performs a task, the activity does not simply increase in significance; the activity has value. Tasks become workable and tasks begin to feel right and important (Schermerhorn et al., 2008:372). According to Parashar et al. (2004:144), people are liable to have similar values if the individuals are employed in the same profession. People's values are likely to be a reflection of society's values for the period in which the individual exists, regardless if the values of the individuals are varied. On the other hand, Finkelstein et al. (2009:52) declare that managers have numerous private desires, which include desires for the organisation and desires for society. Managers have different values and operate in a variety of ways owing to the influence of the manager's desires.

2.3.2.2 Communication

Sharing information with a person or group to achieve a mutual understanding is defined as communication (George & Jones, 2008:462). According to Schermerhorn et al. (2011:264; 267), communication technology has been one of the greatest influences on the lives of individuals and organisations. Communication in organisations has progressed from telephone, written mail and personal meetings, to voice-mail, email, text-messaging and video-conferencing, to name just a couple of methods of communication. The growth in communication technology is challenging the traditional hierarchical structures within organisations. Owing to this challenge, the development in communication technology has made communicating easier.

A rich communication channel (see Figure 2.1) is essential for complex information, while a lower-quality communication channel can be used for routine information (Schermerhorn et al., 2011:264; 267). In bureaucratic organisations, work descriptions and systems are formalised and arranged in a hierarchical manner, but informal methods of communication are often used to transmit information conveniently. Organisations thus use informal and formal communication (Schermerhorn et al., 2011:264). Management's ability to assimilate, distribute, and employ information is crucial for the survival of the

firm. The communication component is an important factor connecting staff members to the organisation (Ivancevich et al. (2008:19). A solution to organisational development, staff member development, and strategy implementation is communication (Matzdorf et al., 2000:107).

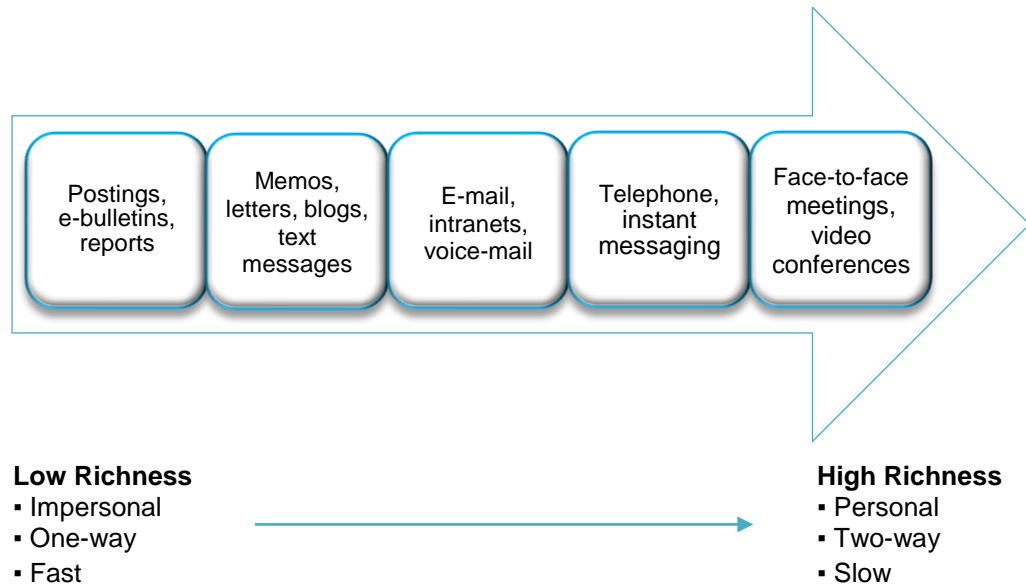


Figure 2.1: The richness of the various communication channels (Source: Schermerhorn et al., 2011:267)

2.3.2.3 Work attitudes

People generally dislike changes in methods and work activities. To influence people to accept, learn, and apply new working methods with ease, requires considerable patience and dedication (Egbu et al., 2005:7-14). Because of this, work attitudes are important elements in the work environment. The attitudes of people at work are not as lasting as the values of people, but attitudes are rather obvious. An individual's attitude towards work fluctuates as time passes. Two important elements that fall under work attitudes are job satisfaction and commitment (George & Jones, 2008:78). Job satisfaction and commitment are explained below:

- Job satisfaction

The way individuals feel and the perceptions individuals have about the job are referred to as job satisfaction. The level of job satisfaction that a person can feel can vary between intense satisfaction and intense dissatisfaction. The attitudes of people within the company can revolve around the

individual's entire work situation, specific segments of work, management, colleagues, and salaries (George & Jones, 2008:78). According to Bowen and Cattell's (2008:263) research, 88 percent of registered South African quantity surveyors are generally satisfied at work, while fewer than half (42%) of the quantity surveyors enjoy work.

- Commitment

Organisational commitment can be defined as the collection of beliefs (George & Jones, 2008:95; 99) and the sense of connection that staff members have with the organisation (Nelson & Quick, 2003:125). According to Maister (1993:207), the factors differentiating successful professional practices from ordinary practices within the same business are not groundbreaking strategies, exceptional management methods or the intelligence of professionals; the obvious characteristics differentiating successful firms are factors such as commitment, confidence, determination, energy, enthusiasm, and motivation. Excellent managers truly add exceptional value to an organisation. With a good manager, employees work harder and are able to concentrate on essential tasks. With a poor manager, employees are not as productive, especially when employees are left unsupervised.

Good managers also develop the abilities of individuals in order for the collective group to become highly skilled, which can be accomplished by learning and supporting fellow colleagues (Maister, 1993:207). According to Senge (1996:2), commitment is often dominated by authority in hierarchical organisations, which generally reinforces conformity. A change in activities and a change in thinking can only be accomplished by individual commitment. Similarly, an organisation promoting learning in the workplace cannot force staff members to learn if learning challenges the beliefs and methods of working. An element that can hamper employee commitment is management's decision to downsize. Downsizing essentially reduces trust and breeds competitiveness within the firm. Competition also thwarts collaboration within the firm in an attempt to maintain individual preservation. Argyris (1998:100) acknowledges that the personal objectives of staff members should be considered, especially when collaboration is a key determinant in the attainment of organisational objectives.

2.3.2.4 Motivation

According to Ivancevich et al. (2008:111; 130), motivation is an individual's desire and willingness to exercise effort, which can lead to increased performance at work. Integrating motivation with an opportunity and the ability to execute a task is an important determinant for performance and success. Management should not disregard motivating staff members, but should endeavour to include motivation in daily operations. Management can significantly influence an employee's level of motivation in the workplace. For instance, management can support an environment that promotes organisational development, especially the performance of staff members. The skills, objectives, and needs of employees vary over time and, as a result, management has to respond accordingly to the needs of employees. Managers should take responsibility by monitoring the skills, objectives and needs of staff members. Incentives need to be seriously deliberated when motivating staff members.

Satisfaction at work can be improved when management provides diverse and challenging tasks for employees. For motivation to be effective, management has to acquire certain motivational knowledge from employees. Acquiring knowledge from employees can be accomplished by interacting with staff members, in order to understand their needs and objectives. Failure to interact with staff members can lead to a decrease in employee support, which leads to a wasted opportunity to motivate and positively reinforce the vital relationship between an employee and management (Ivancevich et al., 2008:111; 130).

Frederick Herzberg (1987) identified motivating factors and hygiene factors (see Table 2.1). Motivating factors are responsible for improved employee attitudes and job satisfaction. Hygiene factors are work-related elements that lead to employee dissatisfaction.

Table 2.1: Herzberg's motivation and hygiene factors

MOTIVATING FACTORS	HYGIENE FACTORS
Factors leading to satisfaction	Factors leading to dissatisfaction
Achievement	Company policy and administration
Recognition for accomplishments	Supervision
Challenging work	Relationship with supervisor
Increased responsibility	Work conditions
Growth and development	Salary
	Relationship with assistant members
	Personal life
	Relationship with colleagues
	Status
	Security

Source: Herzberg (1987)

Management should structure work in such a manner that the skill of the person is matched to the challenge of the task. An employee's ability to overcome challenging work activities makes the employee eligible for company rewards. Motivating factors have a longer effect on employees when compared with hygiene factors (Herzberg, 1987:112). Job satisfaction elements are characterised as motivating factors, while job dissatisfaction elements are characterised as hygiene factors (Herzberg, 1987:112).

2.3.2.5 Need theories

Abraham Maslow (1970) identified numerous needs that can be used to motivate people. Almost four decades later, Noe (2008:406) reported that people seek to fulfil numerous needs in the workplace because a significant part of an individual's life is spent working. According to George and Jones (2008:186-187), needs are necessary for an individual's welfare and survival. The needs of individuals differ, and to motivate employees, management must interpret the needs of employees. Management should ensure that the needs of staff members can be satisfied if management wants to maintain the effectiveness of the organisation. Maslow (1970) contended that individuals seek to satisfy five essential needs (see Figure 2.2). The needs of a person run consecutively and begin at physiological needs, and advance to safety, belongingness, esteem and self-actualisation needs (see Maslow, 1970, for further discussion).

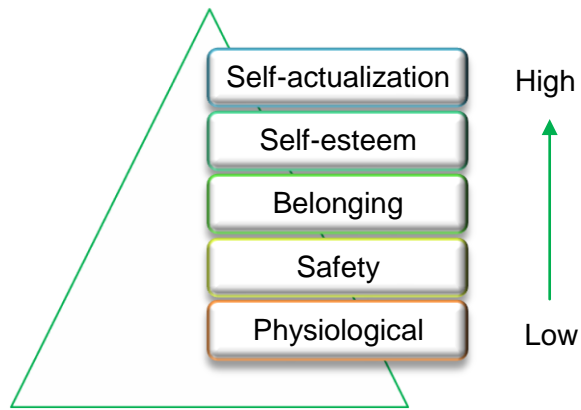


Figure 2.2: Maslow's hierarchy of needs (Source: Maslow, 1970)

In order to have a motivated workforce, managers should identify which needs an employee is seeking to satisfy at work. Once the needs of employees are identified, managers must ensure that the employee's needs are satisfied so that the employee can perform accordingly (George & Jones, 2008:188). Collectively, Maslow (1970) and Herzberg's (1987) factors can significantly influence individual behaviour (see Figure 2.3).

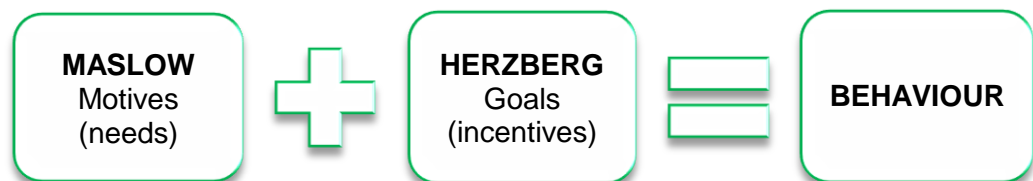


Figure 2.3: Relationship of Maslow's Needs Theory and Herzberg's Theory (Source: Hersey et al., 2007:56)

However, a major challenge for managers is to motivate a diverse set of individuals. Diversity or variation in staff member behaviour makes the task of interpreting the desires and objectives of a staff member difficult. The knowledge acquired from the interpretation of an employee's desires allows management to motivate employees appropriately (Ivancevich et al., 2008:111). Unmotivated employees can lead to the demise of a professional service firm. Even measures such as work arrangements, stricter supervision, or incentive schemes cannot be substituted for the productivity, quality, and personal satisfaction that motivation achieves (Maister, 1993:165).

2.3.2.6 Decision making

According to Ivancevich et al. (2008:19) and George and Jones (2008:500), valuable decision making is dependent on the selection of goals and recognising a method of achieving organisational goals. The likelihood of making effective decisions can be increased by successfully combining organisational characteristics with the behavioural aspects of employees. Decision styles may be designated autocratic, consultative, group and delegated. With an autocratic style, decisions are made without the assistance of the organisation's members. Staff members are allowed to provide input, but management makes the final decision with a consultative style. With a group (democratic) decision style, the manager's authority is equal to that of any individual group member. The group in a democratic decision style is responsible for making decisions. In the delegated decision style, the manager transfers the decision-making responsibility to the employees of the organisation.

The types of decisions are divided into "non-programmed" and "programmed" decisions. When staff members of the firm respond to new problems and opportunities, then staff members are making use of non-programmed decisions. Seeking out information is part of the non-programmed decision process. When employees respond to routine problems and opportunities, then employees are making use of standard reactions called programmed decisions (George & Jones, 2008:405; 526-527).

2.3.2.7 Empowering staff members in the workplace

According to Nelson and Quick (2003:377), empowerment within an organisation can be defined as the sharing of power. Empowerment is a supportive strategy for managing behaviour (see Figure 2.4) in the organisation. Power can be shared with staff members in order for the staff members to feel confident when work activities are implemented. Empowerment is essentially about allowing the staff members that interact closely with clients to have the power to make decisions. The decisions that are made by staff members affect the outcomes of certain work-related activities. Empowerment promotes independence where work activities are concerned. Furthermore, empowerment allows staff members to be accountable; empowerment also inspires creativity and makes staff members show initiative (Quinn & Spreitzer, 1997:37). The

decision-making perception of management and personnel has to change, given that empowerment instils employees with the ability to make decisions. Empowerment allows the power of decision making to be shared with other employees of the firm, instead of making decision making exclusive to management. Empowerment can be beneficial for the firm if management and personnel view the sharing of decisions as something positive (George & Jones, 2008:520).

Management can still control empowered staff members by holding staff members responsible for the decisions that are made by employees. Control can be achieved by rewarding excellent performance, and facilitating a culture where strong peer pressure motivates staff members to carry out work responsibly (Thompson et al., 2005:337). According to Argyris (1998:98-102), the idea behind empowerment sounds encouraging, but management is accustomed to having power over individuals. Empowerment is something organisations do not necessarily achieve, but organisations should still aspire to implement empowerment. In reality, work can be completed successfully, even if varying degrees of commitment exist within the firm. Management tends to work directly and indirectly against the implementation of empowerment. If systems at work are arranged and managed, then empowerment cannot occur because there are no opportunities for individualism. Staff members never question the behaviour of management, in terms of implementing empowerment, since staff members also have doubts about empowerment in the workplace.

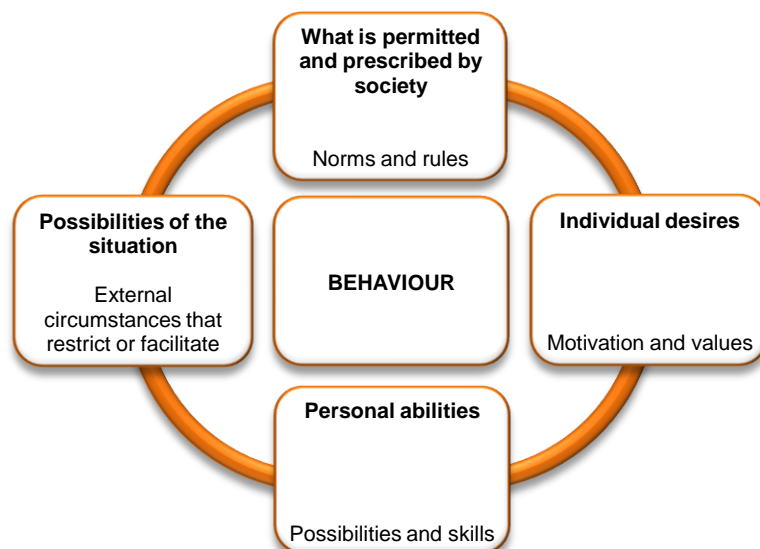


Figure 2.4: Determination of behaviour (Source: Von Rosenstiel & Koch, 2001:200)

2.3.3 Culture description

An organisation's culture is important because unforeseen and adverse results can occur when decision making takes place without consideration for the operational effectiveness of an organisation's culture (Schein, 1999:3). The work environment seems to be a crucial element of the organisation, because people use the space to implement the strategies of the organisation (Hitt et al., 2006:3). The structure of the organisation is also important, but not as influential as the organisation's culture (Sadler, 2001:422).

An organisation's culture comprises routine assumptions created by employees to adapt to external issues through an internal system. Once an organisation's culture is established, the culture can be instilled into new individuals in the workplace and can be perceived as the right way to think and behave (Schein, 1990:111). Factors such as the duration of the group's existence, the consistency of the group, the level of learning experienced in the group, the method by which learning has occurred, and the assumptions retained by the leaders and the founders of the firm, determine the internal stability and the strength of a firm's culture (Schein, 1999:186).

Hofstede (2001:1) views culture as the combined mental programming within an individual's brain, which becomes established through values, and even via apparent factors such as rituals, symbols, and heroes. Mental programmes differentiate staff members of one group from staff members of a different group (Hofstede, 1981:24). Mental programmes can be shared with other people in the country, city, and group, but not with people outside of the country (Hofstede, 1983:76). The mental programming of individuals cannot be monitored, but the behaviour of people can be observed. A person's mental models are unique to a certain degree, although some mental models are shared with other people. There are three mental programme levels, namely, universal, collective, and individual. The "universal level" of mental programmes is inclusive of biological human factors such as joy and sorrow, which are the common behaviours shared by people. The collective phase includes familiarities between individuals in a particular group, which are exclusive and not identical to individuals in other groups. The individual phase makes people unique, because no two people have the same mental models (Hofstede, 1981; 2001:2).

Culture is something that results from learning socially. Culture eventually adopts elements such as shared behaviour and methods of thinking (Schein, 1999:186).

The culture within an organisation can be divided into three components, namely, visible artefacts, values, and assumptions. Visible artefacts comprise tangible factors, such as the internal layout of buildings, attire worn by employees and interaction among staff members. Organisational values include company norms and philosophies, and assumptions that cover behaviour, reasoning, feelings, and perceptions of organisational members (Schein, 1990:111-12). As organisations age, characteristics such as knowledge, skills and resources specific to a particular firm are accumulated. The factors essentially come to reflect the journey through which the firms have travelled and, for that reason, a firm's abilities, experience, and qualities that have developed over time exist exclusively with the individual firm (Barney, 1995:53). As an organisation progresses and ages, closely-knit collaborative individuals or groups within the organisation may develop a subculture, which is explained in the following sub-section.

2.3.4 Cultures within cultures (subcultures)

The administrative structures of organisations are becoming distributed and responsive. In addition, organisations are developing diverse forms of cultures to counteract the rate of change occurring globally (Palthe & Kossek, 2003:287).

When the beliefs of the owner's company become established and adjusted to the external environment, the culture of the company grows and matures. A growing organisational culture can cause subcultures to develop. The defences built around the subculture hinder the various communication and integration efforts initiated by the broader organisational culture. As the culture ages, the work relationships between employees improve, owing to shared experiences. The work relationship also generates shared assumptions about processes and can regulate the implementation of a given activity. The methods promoted by management can be different from the assumptions of the subculture. If management views the subculture as necessary, then the subculture has to be aligned with the organisation's culture. Any communication problems arising between cultures and subcultures within small firms can be solved through informal engagements (Schein, 1999:106-108). The type of organisational culture present within an organisation may also exacerbate communication problems and issues. The different types of cultures are discussed in the following sub-section.

2.3.5 Culture types

According to Schermerhorn et al. (2008:11), there are three organisational culture types, namely, a “constructive culture; passive/defensive culture and an aggressive/defensive culture” (see Figure 2.5). Within a constructive culture, staff members in the firm are persuaded to collaborate in order for personal needs and organisational needs to be achieved. Within a passive/defensive culture, people are likely to have defensive work relations. Within an aggressive/defensive culture, individuals have forceful associations with colleagues, in order to guard their position and status within the firm.

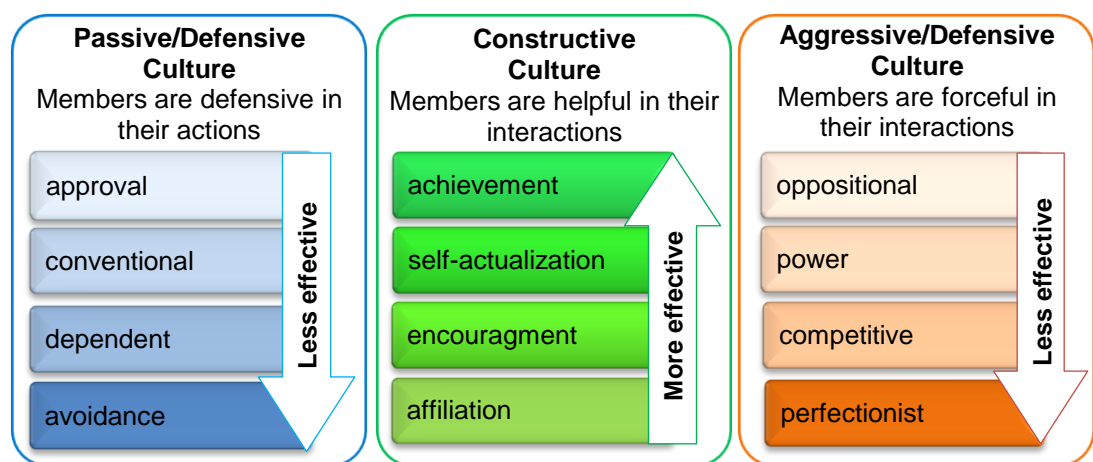


Figure 2.5: Organisational culture types (Source: Adapted from Schermerhorn et al., 2008:11)

From the three types of cultures, the constructive culture is best associated with strongly performing organisations. Constructive cultures encourage performance and individual satisfaction, which allow the organisations to obtain the most from employees in terms of capabilities (Schermerhorn et al., 2008:11).

Ultimately, the person responsible for forming the organisation’s strategy has to integrate the inflexible or “sacred” aspects of the organisation’s culture with the organisation’s strategy. The person implementing the company’s strategy also has to adjust elements that may obstruct the implementation of the organisation’s strategy (Thompson et al., 2005:379). The strategy should consider the organisation’s culture, given that the work environment seems to be a crucial element of the organisation (Hitt et al., 2006:3). The culture’s influence on the organisation is examined in the following sub-section.

2.3.6 Culture's effect on the organisation

A culture is important in organisations requiring high consistency with organisational activities. An organisation's culture can allow the deduction, creativeness, and action of procedures to be accepted (Weick, 1987:123-24). An organisation's culture covers language, work methods, the organisation's mission, performance, status, rewards, perception of time and individual characteristics. Culture has a direct bearing on the tasks and arrangement of the company. For this reason, a culture cannot be viewed as an isolated organisational component (Schein, 1999:187).

Shared values eventually create organisational norms, a factor which regulates organisational behaviour and, ultimately, brings about the firm's culture (Hitt et al., 2006:498). Indeed, firms with strong values, which operate with a clear idea, are the result of well-developed cultures (Schermerhorn et al., 2008:11). An organisation's culture influences every function of the company (Schein, 1999:187). Denison and Mishra (1995:220) acknowledge that the culture of an organisation is an important determinant for the organisation's effectiveness. Strategic thinking and the development of the organisation's culture are essential requirements for the future of an effective business (Bass & Avolio, 1993:112). The culture of an organisation has a major influence on the management of strategy, in terms of the options created from shaping the strategy to the successful execution of the strategy (Smith & Vecchio, 1993:53). Management can promote a constructive culture, which can support the implementation of the firm's strategy (Thompson et al., 2005:374).

The individuals creating the new organisation already have a preconceived idea of the firm's work environment. The preconceived knowledge of a firm's work environment includes the procedures required to be carried out by new employees (Huber, 1991:91). To be specific, the entrepreneurs responsible for establishing the organisation tend to create the organisation's culture. Cultures are usually created by the business founder's perspective of a cultural plan (Bass & Avolio, 1993:112; 114). The founder's (or founders') perspective, whether implicit or explicit, should ideally strive to maintain a culture that considers the developmental needs of the organisation and its employees. By considering the needs of the organisation and the needs of employees, the organisation and employees may develop accordingly. Employees may be more inclined to learning if supportive learning mechanisms are present in the firm. This leads the literature review on to the following sub-section, namely, cultural mechanisms that support learning.

2.3.7 Cultural mechanisms that support learning

According to Senge (1990:4; 13; 14), the organisations capable of maximising a staff member's commitment and ability to learn are the organisations that have long-lasting success. Organisations that support learning encourage employees to discover and modify aspects of the employees' environment, in order for the needs of employees to be satisfied. In essence, an organisation constantly striving to develop a capacity to create its own future, is an organisation in support of learning.

Organisations in support of learning gain knowledge from experience, learn from the experience of colleagues, experiment and explore alternative problem-solving methods, solve work-related problems in an orderly manner, and transfer knowledge effectively to colleagues in the firm (Garvin, 1993:81-87).

- 2.3.7.1 *Learning from experiences:* Organisations should record lessons they have learned, and make the data available to colleagues in the firm. Making lessons available can be achieved by systematically examining the failures and successes of the firm (Garvin, 1993:81-87).
- 2.3.7.2 *Learning from others at work:* Learning from previous experiences are vital; however, learning from other employees can be just as significant. Learning from situations or firms outside the firm's environment can also give rise to new insights. Management should be open to criticisms from staff members (Garvin, 1993:81-87).
- 2.3.7.3 *Experimentation:* By experimenting, employees systematically explore and test new and alternative knowledge. Employees should strive to develop new skills by searching for challenging work assignments that promote the taking of risks. Experimentation assignments must encourage knowing-how and knowing-why knowledge – both essential factors that are required for achieving a deep understanding. Knowing how to complete activities is incomplete knowledge, and mainly deals with standard routines and work norms. Knowing why, in contrast, is rooted in underlying issues and reasoning, and enables staff members to adapt to any impromptu situations (Garvin, 1993:81-87).
- 2.3.7.4 *Systematic problem solving:* Accuracy is an important factor for learning, where actions of staff members are based on evidence as opposed to estimation. Staff members should pay attention to detail, while individuals should go beyond basic assumptions of work by developing the ability to think analytically, especially when approaching problems (Garvin, 1993:81-87).

2.3.7.5 *Transferring knowledge:* For organisation-wide learning to occur, knowledge has to be shared as efficiently as possible. Ideas are further amplified when the ideas are shared with colleagues (Garvin, 1993:81-87). The method of sharing has to be clearly described and organised (Garvin et al., 2008:111-112). Supportive learning mechanisms are vital for supporting learning, but equally important are the mechanisms that maintain learning initiatives. Cultural mechanisms that maintain learning initiatives are analysed below.

2.3.8 Cultural mechanisms that maintain learning initiatives

According to Garvin et al. (2008:110-114), indispensable tools such as a supportive internal environment, solid learning processes and practices, and organisational leadership, are important factors for reinforcing learning. The three factors are the foundation of a learning and adaptive organisation. The three components are explained below.

2.3.8.1 *Supportive environment:* Employees within the firm should not be scared to disagree with colleagues and senior staff members if learning is to take place. Employees must be comfortable enough to critique and express ideas with fellow staff members. The acceptance of alternative views from other staff members increases an employee's motivation to learn. Additionally, the acceptance of criticism prevents the learning processes from becoming stagnant by acting as a catalyst for new ideas. Time is a critical factor for supportive learning organisations, since an allowance of time enables employees to review actions and extract lessons from activities (Garvin et al., 2008:111).

2.3.8.2 *Concrete learning processes and practices:* Exploring, producing and examining new services; collecting information on new technologies, existing and prospective clients; identifying, analysing and understanding how to solve problems; experimenting; and developing junior and senior staff members – these are all essential for concrete learning (Garvin et al., 2008:111-112).

2.3.8.3 *Leadership that reinforces learning:* Staff members are keen to explore alternative ideas when the staff member in power exhibits and acknowledges the viewpoints of other staff members (Garvin et al., 2008:112-114).

Work environments in support of learning are steadily developed. Learning can only occur when management openly allocates time and gives staff members the opportunity to learn. Learning can be achieved by opening up communication

barriers through meetings and teamwork, since this facilitates interaction and the sharing of ideas throughout the organisation. Management can establish learning opportunities by setting up a supportive and open learning environment. Collectively, the learning tools can prioritise learning in the organisation, in addition to decreasing learning obstacles in the firm (Garvin, 1993:91). By using learning tools, employees may learn through multiple learning methods. Factors that hinder the development of the organisation's culture are discussed in the culture obstacles sub-section.

2.3.9 Culture challenges

Organisational behaviour that punishes or supports outcomes eventually reinforces the firm's culture. Cultures are difficult to change, because an organisation's culture is constantly reinforced, irrespective if the culture is constructive or defensive in nature. Cultures become stronger with time, owing to the culture's reinforcing characteristics (Hitt et al., 2006:498).

Elements of the organisation's culture have to be modified if the culture does not correspond with the firm's strategic objectives. Modifications can only be made once the organisation has determined whether the culture is the problem or whether the organisation's strategy is the problem. Organisations with no established values, no shared behaviours, and no traditions, are considered to have weak cultures. In essence, strategic objectives receive no support because of the lack of values, beliefs, norms and belongingness, which is caused by weak organisational cultures. Hardly any tools are available for management to use to leverage commitment for strategic objectives. Weak cultures are not a drawback to the implementation of strategy. However, weak cultures do not assist management. Weak cultures also fail to support the strategy of the company (Thompson et al., 2005:374; 376).

When a culture becomes a strain on learning and organisational change, firms become rigid. As the organisation ages, adjustments to certain cultural components become difficult. The firm clings to and reinforces the historical attributes responsible for making the firm successful in the past. The necessary cultural changes become difficult to implement, especially when the new environment requires new organisational reactions. The strategy of the firm is eventually hampered by the firm's culture (Schein, 1999:13). In addition, when the business owner(s) have established a method or precedent for a particular process within the firm's culture, then deviating from the established method can put a staff member's career at risk, even if the staff member's technique is better. Changing established

methods can be viewed as showing disrespect towards the business owners (Schein, 1999:99).

2.3.10 Link between organisational culture and learning and the development of knowledge

The external environment, employment in the construction industry and factors influencing people in the organisation, tend to affect the characteristics of the firm, employees and management. Supportive cultural elements are capable of creating a productive work environment. Supportive learning mechanisms in the work environment can encourage learning internally and externally (Senge, 1990:4, 13-14; Mahler, 1997:520-521, 527). Learning and the development of knowledge may broaden the perspective of individuals. Learning tends to be an important part of an organisation's culture and, therefore, the following framework of the literature review deals with learning and the development of knowledge.

2.4 Learning and the development of knowledge

2.4.1 Introduction

Learning in general is a multifaceted subject, especially the methods of learning and the effects of learning. The elements that effect learning through to the development and transfer of knowledge, are the key elements that are evaluated.

2.4.2 Learning definitions

According to Fiol and Lyles (1985:803), numerous authors have approached organisational learning from a variety of perspectives. Additionally, there is a lack of acceptance of organisational learning theories and models. Fiol and Lyles (1985:803) define organisational learning as the practice of developing actions by means of improved understanding and knowledge. The majority of academic scholars agree with Fiol and Lyles' (1985) definition of organisational learning (Argote, 2013:31). Levitt and March (1988:320) view organisational learning as something based on routine, dependent on history, and driven by an objective. Levitt and March (1988) add that organisations learn by encoding deductions from earlier experiences into practices responsible for determining behaviour and actions. According to Crossan et al. (1999:522), organisational learning is a method of renewing organisational strategies.

Learning at the individual level has long formed the foundation of learning at the organisational level (Shrivastava, 1983:8). Individuals in the firm act as learning mechanisms for the organisation, but learning at the individual level does not ensure organisational learning. In the end, the organisation fails to learn when employees do not learn (Senge, 1990:139; O’Keeffe, 2002:137). Furthermore, organisational learning is more complicated than learning at the individual level. When learning moves from one person to a group of diverse people, the variation in complexity increases significantly. Learning at the organisational level is quite different from learning at the individual level, even though learning essentially means the same in an individual context and a group context (Kim, 1993:40). Learning appears to be a significant function within an organisation. The elements that bring about the learning process also tend to be important. The factors that bring about learning are dealt with in the learning initiators sub-section.

2.4.3 Learning initiators

Learning initiators focus on the factors that can give rise to learning within the organisation. Learning may be stimulated directly or indirectly and can likely be encouraged by individuals, leadership, management, professional bodies, consultants, culture, structure, strategy, and the external environment, as explained below.

- 2.4.3.1 The individual: For organisational learning to occur, the role of the individual is essential, but the role of a single individual is not enough. Individuals need to work in groups to convert tacit knowledge to explicit knowledge, which can lead to the creation of knowledge at an organisational level. Various knowledge resources can be utilised when individuals are encouraged to share personal experiences within a group (Friedman, 2001:399).
- 2.4.3.2 Leadership: Linkages between leadership and organisational learning focus on the organisation’s ability to adapt to a changing environment. The role of leadership as a learning initiator focuses on how the leader promotes company-wide learning. Leaders are likely to influence organisational learning in cooperative cultures, where experimentation within the firm is accepted and where hierarchy structures are not prevalent (Sadler, 2001:417; 421).
- 2.4.3.3 Management: Learning can only occur when management openly allocates time and gives staff members the opportunity to learn (Garvin, 1993:91). Organisational learning can be significantly encouraged or discouraged by management (Tainio et al., 2001:428). The business partners of a professional

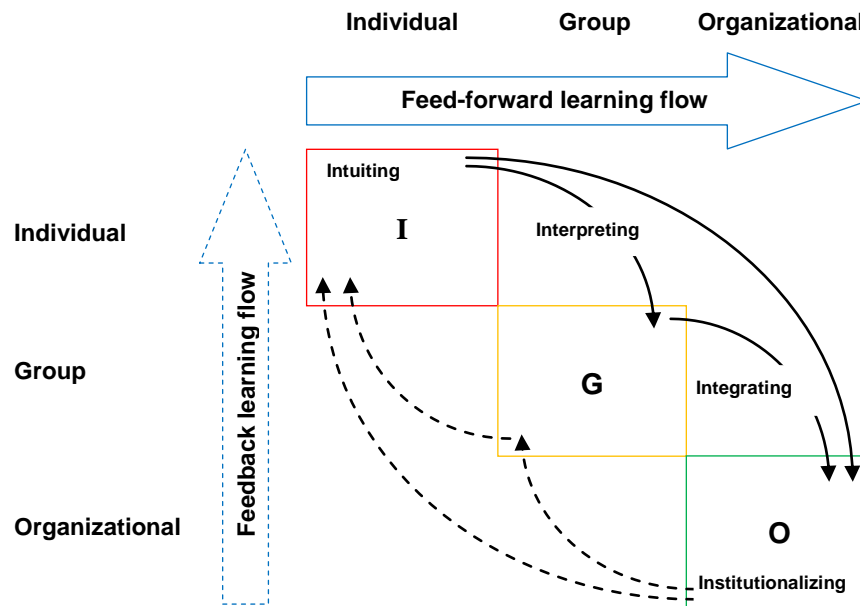
service firm are partly responsible for developing the knowledge of staff members (Hitt, Biermant et al. 2001:15).

- 2.4.3.4 Professional bodies: According to the Association of South African Quantity Surveyors (ASAQS), professionals in the quantity surveying field are required to learn and develop. Learning and development are compulsory for the renewal of professional registration (SACQSP, 2007:3-4). See the deliberate learning section for further discussion.
- 2.4.3.5 Consultants: Consultants are not normally assigned with the task of improving a business's organisational learning capabilities. Consultants are usually employed to solve major problems or assist with improving the firm's performance. Solving problems or enhancing the firm's performance is based on the principle that existing processes need to be modified or changed. Learning essentially takes place, since a clear learning programme is required to successfully implement the necessary organisational changes (Antal & Krebsbach-Gnath, 2001:467).
- 2.4.3.6 Culture: A culture or internal work environment has the ability to encourage learning (Mahler, 1997:520-521; Garvin et al., 2008:110), and according to Trim and Lee (2007:336), organisational learning can also influence the firm's culture.
- 2.4.3.7 Structure: The organisation's structure can promote experimenting and alternative points of view (Fiol & Lyles, 1985:804).
- 2.4.3.8 Strategy: A flexible strategy allows adaptability, which promotes learning (Fiol & Lyles, 1985:804).
- 2.4.3.9 External environment: Changes in the firm's external environment can influence an organisation to engage in adaptive learning, which occurs when an organisation endeavours to optimise the organisation's survival by learning and incorporating new behaviours (Maier et al., 2001:15). There are various characteristics associated with learning, which are described in the following sub-section.

2.4.4 Learning characteristics

Learning is becoming increasingly important for success in the market (Argyris, 1991:99). Nonaka (1994:14) proclaimed that learning enables firms to recognise and exploit missed opportunities. Learning in the workplace can occur through informal, accidental, deliberate, and formal learning methods. For learning to be effective, the mental models of employees need be synchronised at all organisational levels

(O’Keeffe, 2002:134-35). For the organisation to learn, Crossan et al. (1999) developed the 4i organisational learning system (as illustrated in Figure 2.6).



- I** **Individual learning stock:** Individual competence, capability, and motivation to undertake the required tasks.
- G** **Group learning stock:** Group dynamics and the development of shared understanding.
- O** **Organizational learning flow:** Alignment between the non-human storehouse of learning, including systems, structures, strategy, procedure, and culture in the competitive environment.
- **Feed-forward flow:** Whether and how individual learning feeds forward into group learning at the organizational level (e.g. change to structure, system, products, strategy procedure, and culture).
- ← - -** **Feedback learning flow:** Whether and how learning that is embedded in the organization (e.g. systems, structure, and strategy) affects individual and group learning.

Figure 2.6: Organisational learning process (Source: Adapted from Crossan et al., 1999:532)

The 4i system outlines the necessary processes required for learning to shift from individual learning to organisational learning. The 4i system (as illustrated in Figure 2.6 and Table 2.2) includes elements like intuition, interpretation, integration, and institutionalisation, which are discussed below:

- 2.4.4.1 *Intuition:* Intuition enables an individual to perceive and recognise patterns (Crossan et al., 1999:525-529). The *Concise Oxford English Dictionary*

(2008:746) adds that intuition occurs automatically and instantaneously in a person's mind. Crossan et al. (1999:525-529) further note that recognising patterns by using new methods also forms an important part of the intuition process.

- 2.4.4.2 *Interpretation:* Interpretation, in this instance, is the ability to explain an idea through action or oral communication. Interpreting can be employed for personal use or be used to transmit an idea to a colleague. Language is also important in the development of the interpretation process. Intuiting and interpreting takes places at the individual level of the organisation (Crossan et al., 1999:525-529).
- 2.4.4.3 *Integration:* With the integrating process, the understanding of information is shared among individuals, and the appropriate action is taken on a collective level. Collective action and interactive discussions are essential for a mutual understanding to take place. Integration tends to be an informal and unplanned process, but integration can become institutionalised if the process is synchronised, and the collective action occurs regularly. Integrating moves from the individual level to the group level within the organisation (Crossan et al., 1999:525-529).
- 2.4.4.4 *Institutionalisation:* With the institutionalising process, work routines and work processes are established and well defined. The institutionalising process is similar to Simon's (1991:128) organisational memory, which refers to the retention of the organisation's exclusive qualities. Crossan et al. (1999:525-529) add that systems are in place to ensure that specific actions take place. Factors such as systems, processes, and strategy are a result of the institutionalising process, which establishes learning on an organisational level. Similarly, Nonaka (1994:26) asserts that the "crystallization" process takes place at the "collective level". The principle of institutionalising is that individual level learning and group level learning factors do not leave the organisation when staff members leave the firm. Certain learning processes remain in the structures, practices, and strategy of the organisation (Crossan et al., 1999:525-529).

Table 2.2: Learning/renewal process via three levels

Level	Process	Outcomes
Individual	Intuiting	Experiences
		Images
		Metaphors
Group	Interpreting	Language
		Cognitive map
		Conversation / dialogue
	Integrating	Shared understanding
		Mutual adjustment
Organization	Institutionalizing	Interactive systems
		Routines
		Diagnostic systems
		Rules and procedures

Source: Crossan et al. (1999:525)

Enhancing the mental models of staff members is necessary for organisational learning to take place. Enhancing mental models is crucial for developing shared mental models, which can be achieved by making individual mental models accessible to other staff members. When mental models are shared, organisational learning becomes interdependent. The mental models of individuals, which combine to form shared mental models, are the intangible assets of an organisation. An organisation's memory becomes usable when mental models are shared (Kim, 1993:44-45).

The absorptive capability (the ability to incorporate and utilise information) at an organisational level is dependent on the absorptive capacities of individual staff members. The absorptive capacities of organisations are developed steadily, since absorptive capacities build on the earlier absorptive capacities of individuals, which grow at a gradual pace (Cohen & Levinthal, 1990:131).

The organisation's absorptive capacity is not the collective absorptive capacities of the employees, but certain portions are uniquely organisational. The firm's absorptive capacity is also linked to the firm's ability to exploit information. The transmission of knowledge between other organisational departments and the knowledge acquired can be very different when compared to the original knowledge (Cohen & Levinthal, 1990:131-132). Progressing through the various levels of learning to develop knowledge and to increase absorptive capacities may be essential for a professional service firm, but there are challenges. Challenges to learning are discussed in the learning challenges sub-section.

2.4.5 Learning challenges

According to O’Keeffe (2002:133; 136), for learning to become a company-wide experience, learning cannot be done discretely. Learning, therefore, requires the endorsement of management. Management’s affirmations are seen as conditional and not definite in an organisation in support of learning, although the decisions of management are crucial for an organisation’s strategy. Factors like personal, group and organisational defences hinder real learning.

Organisations preferring dependability to efficiency usually have distinct learning and interpreting problems, which can negatively affect performance if the problems are left unresolved (Weick, 1987:112). Factors hindering learning in PSFs are associated with organisational and attitude characteristics. Both organisational and attitude barriers hamper an individual’s ability to find new methods of solving problems, think strategically, uncover opportunities in new markets, and collaborate with clients (Matzdorf et al., 2000:99).

According to Matzdorf et al. (2000:99), there are numerous factors hindering learning within PSFs. The aforementioned factors are briefly discussed below:

- 2.4.5.1 Learning is an individual experience: Learning is something a person does on an individual level and not on an organisational level.
- 2.4.5.2 Learning is identical to training: Several employees still assume learning in the profession equates to occupational training and not an education.
- 2.4.5.3 Learning signifies a knowledge deficit: Employees view learning as something one does before one qualifies in a profession and not something done after a person qualifies in a profession. Learning is best suited to junior staff rather than senior staff.
- 2.4.5.4 No clearly defined idea of professionalism: Professionals are seen as individuals or organisations responsible for selling a professional service to clients. Changing trends indicate that client and consultant relationships are emerging, which can constrain the sharing of information and knowledge between the two parties.
- 2.4.5.5 The complicated nature of professional bodies: Organisations have difficulty adapting when the beliefs of the organisation are trapped in the past and, because of this, organisations struggle to learn when preparing for the future.

- 2.4.5.6 Unspoken policy within the profession: Information has to be retained because information is valuable. Information shared with competitors can give competitors the upper hand. Teamwork is for weak individuals.
- 2.4.5.7 Competition limits learning and sharing knowledge: Competition among staff members and other firms prevents co-operation, communication and learning at the group level and organisational level.
- 2.4.5.8 Hierarchical structures within firms: Larger firms tend to have an inflexible hierarchical structure, which hinders communication and interaction between staff members. Company partners assume the organisation is oriented towards learning, but staff members have a rather different view.
- 2.4.5.9 Learning is seen as an expense and not an investment: Learning is viewed as an occurrence that requires additional cost and time. Learning is something detached and different from work.
- 2.4.5.10 The earlier learning experiences of people: Several previous learning experiences of people were difficult and unpleasant. Numerous learning obstacles occur collectively and not individually within the organisation's culture (Matzdorf et al., 2000:100-107).

Kim (1993:46) identifies three additional obstacles that hamper organisational learning. Factors include situational, fragmented, and opportunistic learning, which are discussed below:

- 2.4.5.11 *Situational learning* occurs when a person resolves a problem by improvising and once the problem is solved, the person continues onto the following task. The problem with improvisation is that the method used to solve the problem is not recorded and codified for future use. The connection between learning and making mental models is lost. The learning that occurs becomes situational and can only serve the person for a short period. The firm cannot benefit from the person's learning experience because the person never codified the methods used to solve the problem.
- 2.4.5.12 *Fragmented learning* happens when employees learn without codifying problem-solving methods and establishing mental models. The organisation loses out because mental models were not shared and synchronised with the rest of the staff members in the firm. Fragmented or partial learning tends to occur in organisations with poor networking and communication compatibilities.
- 2.4.5.13 *Opportunistic learning* takes place when individuals intentionally break the link between individual and organisational mental models. Individuals take advantage of an opportunity and do not allow the mental models to be

synchronised with the rest of the employees in the organisation. When actions are based on a small number of selected mental models and not the collective mental models of people in the organisation, opportunistic learning is the result (Kim, 1993:46).

The effectiveness of an individual does not necessarily improve when a person learns. The actual knowledge and observable behaviour of the individual is also not guaranteed to improve (Huber, 1991:89).

The challenges associated with learning clearly describe the individual and organisational problems that hamper learning opportunities. Deliberate learning may overcome certain learning obstacles. Deliberate learning can be accomplished by completing courses at tertiary institutions and by continuous professional development. The following sub-section deals with one method of deliberate learning, namely, continuous professional development.

2.4.6 Learning through continuous professional development

Continuous professional development (CPD) is a professional development system. The principal function of the CPD system is to improve professional expertise (SACQSP, 2007:3-4). The Association of South African Quantity Surveyors (ASAQS) implements CPD courses on behalf of the South African Council for the Quantity Surveying Profession (SACQSP). South African engineers and architects also participate in CPD. Quantity surveyors from countries such as Hong Kong, Australia, New Zealand and the UK, to name a few, also participate in CPD (Cruywagen, 2007:94-95). Health professionals from around the world (e.g. Canada, USA, Australia, New Zealand, and the UK) are also required to participate in CPD or continuous medical education (Peck et al., 2000:432-435).

PSFs acquire knowledge by means of work experience and traditional methods of education (Hitt, Biermant et al., 2001:14). A major part of an individual's learning occurs at work because people spend a significant amount of time working (Boud & Middleton, 2003:194). Learning is best known as receiving an education, being involved in training, and even CPD (Matzdorf et al., 2000:97-98). De Geus (1988:70) asserts that business success is dependent on the combination of effective continuous organisational learning and organisational change. Firms can increase competencies through learning mechanisms (Levitt & March, 1988:332).

The standard performance of employees is generally increased when employees participate in learning activities. Staff members with limited training opportunities and less experience perform more poorly than staff members with extensive training and more experience do. Staff members perform more consistently at work when they have more experience and additional training. The unpredictability of employees is reduced by learning opportunities (Levinthal & March, 1993:106). Conversely, the routines of staff members become repetitive when learning does not take place in the organisation. Any improvements or modifications occur by accident or are transitory in nature, but ultimately remain superficial (Garvin, 1993:78).

Professionals are capable of learning internally and externally, in order to improve actions and remain current. Learning may also be carried out strategically to improve the wellbeing of the organisation. Strategic learning can be completed by senior and junior staff members. Learning strategically is discussed further in the following sub-section.

2.4.7 Learning strategically

Learning is an important source of intelligence, where learning abilities can strategically benefit the firm (Levinthal & March, 1993:95). Human resources learn in each company, regardless if learning is deliberate or accidental. Learning is a requirement for continued survival. An organisation's ability develops when staff members learn in the workplace (Kim, 1993:37). A crucial component of organisational learning is the individual. The individual, however, has to be mentally prepared to learn (Hannah & Lester, 2009:45).

Management of successful firms takes advantage of certain intellectual characteristics by incorporating the intellect of employees into operational and strategic activities (Quinn et al., 1996a:7). Several firms develop abilities that fall in line with organisational goals, which are achieved by advancing organisational learning. Other companies, conversely, do not develop purposefully and acquire unproductive practices (Kim, 1993:37).

Strategic learning is essentially organisational learning where the fundamental theories about knowledge are reshaped, in order to restore the company's strategic abilities (Kuwada, 1998:719). By learning to sustain strategic plans, strategic learning can create a knowledge imbalance, which can produce performance variations within the company (Thomas et al., 2001:331).

March's (1991:71) research on exploration of organisational learning refers to terms such as variation, experimentation and discovery, which Lant and Mezias (1992:49) view as "second-order" learning. The explorative learning model aims to explore other objectives, technology, routines and rules as opposed to learning how to implement existing routines more competently, which is synonymous with "first-order" learning. First-order learning, as with March's (1991:71) exploitation, refers to terms such as refinement, efficiency, selection, and implementation (see Figure 2.6). Selecting appropriate practices is necessary for organisational survival, and so is the production of new and different routines, which is essential in a varying work environment (March, 1991:72).

Table 2.3: Learning orientation matrix

Type of learning	Framework	
	Accelerated	Planned
Explorative learning <i>From</i>	Creative Combination	Regeneration
Exploitative learning	Existing Solution	Expert Solution

Source: Adapted from Swart & Kinnie (2010:66)

The diagram above (Table 2.3) illustrates the learning orientation matrix. When an individual shifts from one form of learning to a particular framework, various solutions can be obtained. The diagram is explained below.

- 2.4.7.1 Exploitative learning and an accelerated framework (existing solutions) deal with enhancing existing solutions, in order to adapt to and meet the requirements of the client.
- 2.4.7.2 Explorative learning and an accelerated framework (creative combination outcomes) centre on producing innovative ideas and outcomes in a minimal period of time.
- 2.4.7.3 Exploitative learning and a planned framework (expert solutions) deal with long-term ventures, where individuals apply traditional procedures to facilitate predetermined solutions.
- 2.4.7.4 Explorative learning and a planned framework (regeneration solutions) focus on creating innovative solutions by means of a thorough understanding of the client's problems. Eventually, the novel solutions are incorporated into the firm's work methodology (Swart & Kinnie, 2010:69-73). The characteristics of strategic learning are discussed in the following sub-section.

2.4.8 Strategic learning characteristics

Strategic learning has four clear elements. Firstly, the collection of information is target orientated. Secondly, learning is synchronised with strategic objectives. Thirdly, strategic learning aims to improve the organisation's performance by leveraging the company's capacity to produce, accumulate, and transfer the wealth of deep-rooted knowledge. Lastly, the sense-making instruments in place are institutionally based with a clearly articulated justification process (Thomas et al., 2001:332). Strategic learning has certain difficulties, which are discussed in the challenges with strategic learning sub-section.

2.4.9 Strategic learning challenges

The returns of explorative learning are uncertain and somewhat distant to the returns of exploitative learning, from the point of controlling the action to the point of change. The feedback arising from exploitative learning is faster and easier to understand. The returns of exploitative learning are optimistic because the outcomes are received earlier than those of explorative learning. Specifically, something capable of benefiting the organisation in the long term can be detrimental to the organisation in the short term. The consequences that arise from the distribution of resources among exploitative and explorative learning affect the lessons that are learned. Reassurances and feedback occur more swiftly with exploitative learning than with explorative learning (March, 1991:73). Explorative learning can be advanced in the firm by implementing incentive initiatives, adjusting aspects of the organisation, selecting specific projects, and, ultimately, changing the views of staff members (Levinthal & March, 1993:107). Organisations practising high reliability rather than efficiency do not have the luxury of experimentation because miscalculations are not controllable, and according to Quinn et al. (1996b:72), professionals practise perfection with work activities and not creativity.

Likewise, convergent and reorientation patterns can result from routine practices of organisational learning. Performing work correctly typically reinforces previously learnt lessons. An outcome such as converging patterns and first-order learning occurs, which ultimately leads to the strengthening of existing organisational circumstances. When performance becomes inadequate, any progression towards convergence are diminished, which causes an evaluation of existing practices. A lack of performance or failure resulting from inexperience can give rise to

organisational transformation, which is synonymous with reorientation patterns. At the same time, individual ambitions are linked to performance outcomes, which can further hamper the attempt to change performance and increase consistency (Lant & Mezias, 1992:49-50).

Learning and developing knowledge tend to be essential components of development. The numerous ways of learning to gain knowledge are discussed in the following sub-section.

2.4.10 Learning to gain knowledge

Knowledge is something that can be learned (Senge, 1999:6). An organisation can gain knowledge in numerous ways, several of which involve activities and behaviour. Employees can gain knowledge or information through five methods, namely, *congenital learning*; *experiential learning*; *vicarious learning*; *grafting*; *noticing and searching* (Huber, 1991:91-99):

- 2.4.10.1 *Congenital learning*: The lives of organisations do not emerge from a void, since the people responsible for creating the new organisation have a preconceived idea of the firm's work environment. The predetermined knowledge of the organisation also includes the procedures to be executed by new employees. Newly appointed employees integrate the firm's procedures into daily activities. The information and interpretation of data are directed by the firm's embedded knowledge (Huber, 1991:91).
- 2.4.10.2 *Experiential learning*: Organisations acquire additional knowledge after the establishment of the firm by means of experience. Learning from experience is sometimes acquired in a deliberate and methodical manner. Learning can also be the result of inadvertent efforts. Experiential learning can be further divided into *organisational experiments*; *organisational self-appraisal*; *experimenting organisations*; *unintentional learning*, and *experience-based learning curves* (Huber, 1991:91).
 - *Organisational experiments* happen when the firm experiments and investigates the effectiveness of new services in the market (Huber, 1991:92).
 - *Organisational self-appraisals* centre on staff members re-evaluating past actions (Huber, 1991:92). Self-appraisals are somewhat similar to Argyris and Schön's (1974) double-loop learning.

- *Experimenting organisations*: Adapting to the environment is essentially the result of experimentation and self-assessment (Huber, 1991:93).
 - *Unintentional or unsystematic learning* tends to be complicated and accidental (Huber, 1991:94).
 - *Experience-based learning curves*: Feedback mechanisms to learning-by-doing do not necessarily occur instantly, but feedback may occur over a long period. Learning curves can improve the experience and performance of staff members, and enhance the organisation (Boerner et al., 2001:97).
- 2.4.10.3 *Vicarious* or imitative learning: Imitative learning is recognised as a creative learning process since the learner has to apply the observed behaviours and ideas from other individuals or firms. The learner has to incorporate the ideas into the firm's current situation (Antal, Dierkes, et al., 2001:924).
- 2.4.10.4 *Grafting*: By employing individuals with new knowledge, an organisation can accumulate knowledge that the firm never previously had. The acquired knowledge can, in turn, be embedded into new employees (Huber, 1991:97).
- 2.4.10.5 *Noticing*: Learning through noticing is a method of acquiring information by accident. The information can include data on performance and data on internal and external circumstances (Huber, 1991:97).
- 2.4.10.6 *Searching*: Organisations can search broadly and acquire information by means of scanning, a focused search, and by monitoring the firm's performance (Huber, 1991:97-99), which is explained below.
- *Scanning*: Information can be acquired by means of examining the circumstances outside of the organisation (Huber, 1991:97-99).
 - *Focused search*: When problems or opportunities arise, employees explore a narrow area of interest, internally or externally, in search of information (Huber, 1991:97-99). Similarly, deliberate learning also falls into the focused search category. (See learning through continuous professional development (CPD) and learning strategically.)
 - *Performance monitoring*: An organisation's performance can be enhanced and goals can be achieved by scanning narrowly and broadly (Huber, 1991:97-99). Learning can be completed through several methods, as described above. Learning to develop knowledge tends to be important. Therefore, the following sub-section deals with the importance of knowledge.

2.4.11 Importance of knowledge within firms

Knowledge is something that can be learned (Senge, 1999:6). Knowledge can be produced, stored, shared and can be a source of new practices when learning

occurs at an organisational level. Knowledge also has the ability to be transformational (Trim & Lee, 2007:335).

Knowledge comprises a compilation of conceived values, experiences, relative information and insights, which provide the individual with the ability to evaluate, integrate and filter new information and occurrences. Knowledge resides in the heads of informed people. Knowledge can also become entrenched within organisational practices and routines (Davenport & Prusak, 2000:5).

Knowledge is valued because it is found within the individual. Knowledge is easily accessible when compared to other sources of information (Davenport & Prusak, 2000:6). The services produced by professionals are the result of embedded knowledge. Professionals are the organisation's human capital, which are essentially mobile resources. A key challenge for firms is the retention of knowledge (Greenwood et al., 2005:665).

According to Maister (1993:144), a professional has two assets, namely, knowledge/skills and relationships with clients. Professionals trade knowledge and skills. When knowledge and skill assets are not being built, the resource quickly depreciates and can become obsolete. Client relationships are measured by the depth of the relationship, and not by the number and reputation of clients.

Maister (1993:149; 155) adds that building knowledge is a simple task, but knowledge depreciates rather rapidly. Skills, on the other hand, are hard to acquire, but skills tend to remain viable for a longer period. Developing technical skills is a small requirement to sustain a professional career. In contrast, managers of PSFs overlook enhancing the element that a client wants to employ, namely, the knowledge and capabilities of an employee that essentially represent the services of the firm.

Factors like the experience, judgement, relationships, training, and insight of organisational members and management constitute human capital (Barney, 1991; Maister, 1993; Hitt & Ireland, 2002). Human capital is essential for the production of services and advanced knowledge (Kumar, 2006:153). In the knowledge- dependent economy of today, a resource such as human capital may be the most valuable element of an organisation (Hitt & Ireland, 2002:4).

Developing additional knowledge and skills takes preference over enhancing human capital. Improving an understanding of the client industry, improving services, and gaining additional capabilities are essential for PSFs. Developing additional skills is often ignored by organisations (Maister, 1993:159-160). Managers should endeavour to capture the minds and hearts of intellectual people, and not just the technical abilities of staff members (Bartlett & Ghoshal, 2002:41).

Indeed, management plays a significant role in developing the knowledge and skills of staff members. Management may have a positive influence on employee development and the type of knowledge that employees develop. The different types of knowledge are explained in the following sub-section.

2.4.12 Types of knowledge

An organisation is not capable of creating knowledge without assistance. The organisation is dependent on the individual and the engagements inside the group (Nonaka & Takeuchi, 1995:13). According to Polanyi (1966:4-6; 22; 25), there are essentially two forms of knowledge, namely, explicit knowledge and tacit knowledge. Explicit knowledge is knowledge that can be communicated clearly to people. Tacit knowledge is more difficult to communicate. Nonaka and Takeuchi (1995:8) view tacit knowledge as exceedingly personal and heavily ingrained in a person's experience, actions, and values. People can possess more knowledge than what can be spoken. A majority of tacit knowledge cannot be expressed. When tacit knowledge is communicated, a complete, sensible message cannot be relayed to the person receiving the knowledge because a part of the message that is unexplainable is left behind. The speaker depends on the receiver's intelligence to complete the missing part of the message. Once the receiver has discovered the unexplainable part of the message, the message can be completed and understood by the receiver (Polanyi, 1996).

Nonaka and Takeuchi (1995:8) contend that tacit knowledge may be divided into a "technical dimension" and "cognitive dimension". The technical dimension refers to expertise, which is inclusive of informal complex skills. Swart and Kinnie (2003:63) note that technical tacit knowledge can only be instilled via a shared experience or by an action-oriented activity with other staff members. The cognitive dimension includes established characteristics such as insight, beliefs, and "mental models". The cognitive dimension of knowledge is similar to "practice-based" knowledge. The culture of knowledge-intensive firms drives "practice-based" tacit knowledge.

Practice-based knowledge becomes embedded within the person's mind. The two types of tacit knowledge are interlinked. One form of tacit knowledge cannot be developed without the other. The integration of the two tacit knowledge types forms the foundation of competitive advantage (Swart & Kinnie, 2003:63-64).

Employees should strive to develop tacit knowledge since tacit knowledge involves complex skills (Nonaka & Takeuchi, 1995:8), which are embedded in a person's head (Swart & Kinnie, 2003:63-64). Knowledge may be created in a variety of ways. One method focuses on the selection of work, which is explained below.

2.4.13 Knowledge and the selection of work

The selection of client appointments is an important, if not the key decision that management has to make when developing the human capital of a PSF. The best way for management to enhance the capabilities of employees, by means of experience, is to select projects that increase the abilities of employees, in addition to exploiting existing abilities (Maister, 1993:161). According to Quinn et al. (1996b:73-74), a professional's intellect can be improved by participating in challenging work. Intellect encompasses various development levels, which include knowing-what, knowing-how, knowing-why and caring-why. Intellectual value is enhanced when a professional within the organisation progresses through the intellectual levels. Successful professional firms continuously nudge staff members beyond the security of the employees' academic knowledge by pursuing complicated work unique to the firm's environment. Average organisations, in contrast, do not persuade staff members to undertake challenging tasks or to pursue complex projects.

Partners in the firm ideally choose the most profitable work, which yields lucrative results. Nonetheless, simply choosing profitable work neglects the development of the professional's knowledge and skills. The firm's strategic objectives need to include investing in the organisation's future by investing in organisational members. For a professional service firm to succeed strategically, the skills that are required and the potential markets that the firm are interested in have to be clearly defined (Maister, 1993:161-162).

The challenge in developing new knowledge and skills is that firms naturally develop abilities in certain markets, with certain technologies and with certain strategies. Firms become involved with activities in which the firm has more competence and

consistency, rather than activities in which the firm has less competence and limited reliability. The current focus of organisations is maintained because the learning that occurs in the firm reinforces existing knowledge. The firm becomes connected to areas of speciality that immediately benefit the firm's competencies; thus the competencies within the firm are strengthened (Levinthal & March, 1993:102).

By selecting appropriate projects (Maister, 1993:161; Quinn et al., 1996b:73-74) and developing additional skills (Matzdorf et al., 2000:93), organisations may overcome certain challenges associated with developing knowledge and skills. The development of knowledge is discussed further in the following sub-section.

2.4.14 Development of knowledge

Nonaka (1994), Blackler (1995), and Spender (1996) developed structures for knowledge and the way in which knowledge is consumed within organisations. Four forms of knowledge creation (as illustrated in Table 2.4) can be developed through conversion processes, namely through the Socialisation, Externalisation, Combination and Internalisation (SECI) model (Nonaka, 1994:18-19; Nonaka & Takeuchi, 1995:62-72). The conversion processes are explained below Table 2.4.

Table 2.4: Knowledge creation through four conversions

Type of knowledge	Tacit knowledge	To	Explicit knowledge
Tacit knowledge	Socialization Sympathized knowledge		Externalization Conceptual knowledge
From			
Explicit knowledge	Internalization Operational knowledge		Combination Systemic knowledge

Source: Nonaka & Takeuchi (1995:72)

- 2.4.14.1 From tacit knowledge to tacit knowledge (accomplished through socialisation): Experience is the key to acquiring tacit knowledge within an organisation. Without a mutual experience, tacit knowledge is difficult to comprehend when it is communicated to people. An individual can acquire knowledge in silence (without oral communication) by means of observation (working with a mentor) and understanding. "Socialisation" is a process of creating tacit knowledge via a shared experience.
- 2.4.14.2 From tacit knowledge to explicit knowledge (achieved by externalisation): Tacit knowledge and explicit knowledge can be transferred, given that the two forms

of knowledge are complementary. Tacit knowledge and explicit knowledge have the ability to develop over time through common interaction. The externalisation conversion process includes two diverse operations. “Externalisation” is the process of transferring knowledge from tacit knowledge to explicit knowledge.

2.4.14.3 From explicit knowledge to explicit knowledge (achieved by combination): People draw on meetings and telephone conversations to combine knowledge and exchange knowledge. New knowledge can be discovered by rearranging existing information or by adding or sorting explicit knowledge. “Combination” is a method of creating explicit knowledge from explicit knowledge.

2.4.14.4 From explicit knowledge to tacit knowledge (accomplished by internalisation): “Internalisation” is a technique involving the traditional learning method, namely, explicit knowledge, to tacit knowledge transfer (Nonaka, 1994:18-19; Nonaka & Takeuchi, 1995:62-72).

Knowledge can be created through a variety of methods. Many of the methods require interaction between two or more people as explained by Nonaka (1994:18-19) and Nonaka and Takeuchi (1995:62-72). The knowledge acquired by employees may vary in character. The characteristics of knowledge are explained in more detail in the knowledge characteristics sub-section.

2.4.15 Knowledge characteristics

Knowledge enables the action of the user to be effective. Knowledge is something one cannot buy, but knowledge can be learned (Senge, 1999:6). Knowledge does not diminish when used. This is in contrast to physical or natural resources (Egbu et al., 2005:7).

According to Nonaka (1994:21-22), the individual within the organisation is the primary component in the creation of knowledge. Tacit knowledge is built up by means of a personal experience. The quality of tacit knowledge is determined by two characteristics, namely, the variation of the experience and the experience of the individual’s knowledge. The two characteristics are explained below:

2.4.15.1 Variation of experience: The volume of tacit knowledge obtained from limited routine activities diminishes over a period, because an individual’s creativity and an individual’s ability to produce fresh knowledge are reduced by routine activities. Swart and Kinnie (2003:63) acknowledge that when an individual is busy with a routine, the person concentrates on the outcome of the activity and

not the method of execution. Nonaka (1994:21-22) posits that the quality factor of tacit knowledge cannot solely be increased through a varied experience. The variation in the experience has to be related to the person's knowledge, in order for the new context to be created from the related variation.

- 2.4.15.2 Experience of the knowledge: The experience factor is symbolised by a commitment to being involved in the physical experience. Being involved at an individual, group or organisational level is a critical element in the creation of knowledge (Nonaka, 1994:22).

The variation of knowledge and the experience of knowledge have to be balanced with explicit knowledge. A balanced approach signifies a person's capacity to review the experience: a process termed the rationality of knowledge. The rationality of knowledge can be achieved with the combination conversion process, which effectively creates explanatory knowledge. To improve an individual's overall knowledge, there has to be continuous interaction between tacit knowledge and explicit knowledge (Nonaka, 1994:22). The interaction factor and experience factor are essential to creating tacit knowledge, according to Nonaka (1994:22), but knowledge may also be acquired through a shared experience. The following sub-section deals the importance of sharing knowledge.

2.4.16 Importance of sharing knowledge

Learning internally is an important part of organisational learning, where staff members share knowledge with other organisational members (Simon, 1991:125). Hannah and Lester (2009:45) report that knowledge distribution requires capable learning networks, especially for organisational learning to take place. Fu et al. (2006:1019) acknowledge that the networks used for learning could be direct or indirect; this enables consultants in construction to learn at the group level. By means of observations, sharing knowledge and having discussions, knowledge can be developed within the group (Nonaka & Takeuchi, 1995:13).

When knowledge is shared with other people, the people's knowledge not only grows, but the responses and interaction cause the original knowledge to be amplified. The shared knowledge improves and increases the development of the person that shared the knowledge (Levinthal & March, 1993:104; Quinn et al., 1996a:8). Egbu et al. (2005:13) add that sharing knowledge advances the recipient's knowledge, but the essence of the knowledge remains with the knowledge donor.

The creation, transfer, absorption, and exploitation of knowledge sources are a key determinant of a firm's capability (Teece, 1998:76).

Learning and acquiring shared knowledge tends to be an essential part of a person's development in a professional environment. Forming beneficial learning relationships with experienced individuals may be just as important if knowledge needs to be shared. However, certain elements need to be in place before knowledge can be shared. Factors that influence the sharing of knowledge between individuals are discussed in the acquiring shared knowledge sub-section.

2.4.17 Acquiring shared knowledge

To facilitate sharing knowledge and information, employees have to create an environment with collective meaning where people genuinely listen to one another (O' Keefe, 2002:136). Trust is a critical factor that can motivate individuals to share knowledge with one another (Levin et al., 2002:2; Egbu et al., 2005:13). Trust within the business environment can be divided into two components, namely, trust based on goodwill and trust based on competence (Levin et al., 2002:2). The two factors are clarified below.

- 2.4.17.1 Trust based on goodwill: Goodwill-based trust deals with believing and having confidence in an individual. In essence, the other person will not deliberately misguide or cause harm to the person receiving the knowledge when an opportunity to demonstrate trust arises.
- 2.4.17.2 Trust based on competence: Competence-based trust is founded on a relationship where one person believes that another person is better informed about a particular subject. Goodwill-based trust and competence-based trust are essential for sharing knowledge (Levin et al., 2002:2).

A staff member is said to be obligated to share knowledge with other colleagues if the employee has a significant amount of knowledge, but the staff member has to be comfortable with sharing knowledge. If competition exists within the organisation, then the sharing of tacit knowledge can be a problem for knowledgeable people. An increase in competition among staff members causes an increase in the reluctance to share knowledge within the firm. Sharing knowledge with staff members is socially acceptable from an ethical point of view. Ethical concerns and personal interests can also hinder the sharing of knowledge when people benefiting from an employee's superior knowledge dominate the employee (Wang, 2004:371).

Sharing knowledge can be significantly increased by an organisation's culture. Even though a knowledge-sharing culture is an extremely important success factor, a knowledge-sharing culture can be difficult to establish if a productive or interactive culture is not already present within the firm (Wang, 2004:371). If elements of a supportive culture are present in the firm, then individuals may be encouraged to transfer knowledge to less experienced colleagues. The process of transferring knowledge between two or more individuals is described in the following subsection.

2.4.18 Process of transferring knowledge

According to Argote and Ingram (2000:151; 154), transferring knowledge within an organisation is where the experience of one individual or group has an influence on another individual or group. A change in an employee's performance or a change in an employee's knowledge influences the transfer of knowledge in organisations. A change in the recipient's performance or knowledge allows the transfer of knowledge to be measured. For example, when one staff member or unit describes how to accomplish an activity better than another staff member or unit, then the explanation can be viewed as an explicit process of transferring knowledge. For example, implicitly transferring knowledge is where an individual demonstrates with a tool (a medium) to show how to increase the performance of a process. Transferring knowledge can be accomplished by transforming an individual's existing knowledge or by shifting knowledge from one person (the knowledge sender) to another person (the knowledge receiver).

The transfer of knowledge depends on the individuals within the firm. The transfer of knowledge comprises four stages (Szulanski, 1996:28). The four stages include an initiation, implementation, ramp-up, and an integration stage (Rogers, 1983, cited in Szulanski, 1996). The four stages are discussed below:

- 2.4.18.1 *Initiation:* The initiation stages deals with the circumstances that effect the transfer of knowledge. When there is a need for knowledge and a source of knowledge, then a successful discovery of a knowledge source may lead to the transfer of knowledge. The reason for searching and the consequent discovery of better knowledge can be caused by a need for a solution to a problem.
- 2.4.18.2 *Implementation:* The implementation stage signifies the decision to begin with the transfer of knowledge. Knowledge can flow between the source of

knowledge and a single or group of beneficiaries. The implementation process starts to diminish or ends once the beneficiary utilises the knowledge.

2.4.18.3 *Ramp-up*: Through the ramp-up stage, potential problems capable of hindering the recipient's ability to match or surpass the performance of the new knowledge are recognised and resolved.

2.4.18.4 *Integration*: Once the knowledge recipient performs successfully with the new knowledge, the integration of knowledge begins. The knowledge can eventually be customised once the knowledge is used (Szulanski, 1996:28- 29).

Staff members within the firm are more alike when compared to staff members in another firm owing to socialising, selecting, communicating, and the training circumstances within firms. Employees are capable of acquiring knowledge from multiple formats, but the social interactions between employees are vital for transferring knowledge. New knowledge sources can be uncovered by social interactions. Social relations can also be used as a mechanism for interpreting knowledge (Argote & Ingram, 2000:164-165). Indeed, social relationships may influence the sharing of knowledge between individuals in the same industry. A social relationship with the purpose of sharing knowledge is discussed further in the following sub-section.

2.4.19 Sharing knowledge through discussion

Grouping knowledgeable staff members with new or inexperienced staff members is an effective method of working for a project-oriented environment. By allowing employees with varying intellectual levels to interact, knowledge and experience can be transferred and, consequently, tacit knowledge can be replicated and modified (Lesser & Prusak, 2001:102).

Enabling knowledgeable people to share knowledge with less experienced individuals in a group in the same industry allows the original knowledge to be amplified (Garvin, 1993:81-87). There is a possibility that the person gaining the knowledge transfers the knowledge to other colleagues. When individuals do not or are not able to discuss, develop and share experiences, individuals may choose to employ knowledgeable people.

2.4.20 Employing people with new knowledge

Firms can acquire experience by hiring experts. By hiring experts, organisations reinforce the importance of knowledge by spending large sums of money on knowledge resources (Davenport & Prusak, 2000:8).

Employing knowledgeable individuals and sharing the experiences of a knowledgeable person with other staff members may be difficult because of certain challenges. The challenges to sharing knowledge are discussed in the following sub-section.

2.4.21 Challenges to sharing knowledge

The transfer of knowledge depends on the individuals within the firm and consists of four stages, namely, initiation, implementation, ramp-up, and integration stage. Identifying usable knowledge and measuring the likelihood of an effective transfer form part of the problems that may arise from the initiation stage of sharing knowledge. Closing the gap in communication between the knowledge donor and knowledge receiver, or for the recipient to use the transferred knowledge constructively, poses problems that may arise during the implementation stage. Being able to use the transferred knowledge successfully is a problem that may arise during the ramp-up stage. Lastly, the recipient's ability to use the transferred knowledge may become a problem during the knowledge integration stage. The difficulty associated with transferring knowledge depends on the influence of the problems in the abovementioned four stages (Szulanski, 1996:30).

Transferring and sharing knowledge form part of the distribution of knowledge process (Egbu et al., 2005:12). Experienced employees that truly want to participate in the development of other individuals will share knowledge by explicitly generating learning circumstances. According credit for the capabilities achieved from the transferred knowledge, and competition between professionals in the firm, hinder the sharing of knowledge. Patience, practice, and a certain frame of mind are the essential factors required for sharing and acquiring knowledge effectively (Senge, 1999:6). Additional factors obstructing the transfer of knowledge are the ability to communicate with other employees and the rapid change in communication technology (Egbu et al., 2005:12). The hesitation to share knowledge is natural from a professional's perspective because knowledge is the professional's most valuable asset (Quinn et al., 1996b:75).

A reluctance to share knowledge may be due to the negotiating power associated with possessing unique knowledge. The distribution of unique knowledge can weaken the knowledge donor's influence in the organisation. The knowledge donor may also lack the understanding of sharing knowledge that essentially aids the entire organisation (Train & Egbu, 2006). An organisation may need to employ an incentive scheme to influence a professional to share knowledge because of the power associated with a professional's knowledge (Quinn et al., 1996b:75; Train & Egbu, 2006).

Organisations risk losing staff members completely when the firm does not leverage and manage knowledge resources in the organisation (Bartlett & Ghoshal, 2002:38). Lesser and Prusak (2001:101-102) acknowledge that in times of uncertainty and where voluntary workforce reductions occur, the most knowledgeable staff members often leave the firm. Downsizing initiatives negatively influence the integration of knowledge within the organisation. Factors like social-sharing networks, mutual trust, having time to share knowledge, and knowledge implementation shortcuts are affected.

Many knowledge-intensive organisations retain a small percentage of clientele. A limited number of clients and short contracted work periods can create an unstable environment for the firm. Organisational instability has a significant impact on the sharing of knowledge, which obstructs the success of the firm (Swart & Kinnie, 2003:63).

2.4.22 Link between learning and the development of knowledge and related service diversification

The learning and development of knowledge sector describes the various forms of learning and the processes through which knowledge can be created, and highlights the influence that management has on learning within the organisation. Knowledge, the likely outcome of learning, is essential for both individual and organisational development.

The organisational learning framework centres on the exploitation and exploration of learning as researched by March (1991). If a single individual has acquired new knowledge, then sharing the new knowledge with other staff members is important for the individual and the organisation to become intellectually enriched. Challenges

to organisational learning and sharing knowledge indicate the constraints associated with learning and sharing knowledge.

Knowledge is a crucial asset for a professional (Maister, 1993:144) and the junior staff members in professional service firms. Investing in the abilities of employees by management is, in essence, an investment in the firm. Enhancing a staff member's knowledge and skills in core quantity surveying service and related services allows employees to participate in both exploitative and explorative learning. Developing skills in core quantity surveying services and related services allows staff members to be more versatile, given that staff members will have a wider range of skills. Services that are related to the quantity surveying field are dealt with in the following framework, namely, related service diversification.

2.5 Service diversification

2.5.1 Introduction

Service diversification is a development strategy for service firms (Kaiser & Ringlstetter, 2011:13). Since service diversification is a development strategy, this section largely focuses on business strategy characteristics and diversification characteristics.

2.5.2 Importance of strategy

Grant (2008:28) affirms that strategy allows organisational decisions to be consistent, whereas Drucker (1999:43) adds that strategy enables the company to be realistically optimistic. Organisations create plans for the future in addition to progressing on patterns from experiences (Mintzberg et al., 1998:10).

Matzdorf et al. (2000:108) assert that discovering additional information about prospective clients and existing clients, feasible business markets, and new services offered by competitive firms, forms part of a successful and proactive strategy. Some firms recognise the importance of a proactive business approach. Learning from the success of competitors is also an essential component of strategy. Mintzberg (1987:67) acknowledges that the methods in which people define and implement strategy are often diverse and go unnoticed. Organisational strategies can be realised but be implicit.

A dilemma facing organisations is that they must ensure that existing capabilities remain viable by participating in exploitative activities, while also participating in explorative activities to ensure the future existence of the firm. A sufficient mixture of exploitative and explorative activities is vital for survival (Levinthal & March, 1993:105). If firms want to take action in a rapidly changing environment, they need to remain flexible (Porter, 1996:61).

Being flexible is important because the ability to revise an organisational strategy is an important determinant for success. Analysing the external environment and interpreting criticisms from clients and employees are crucial requirements for survival. The organisational processes should be structured accordingly for employees to collaborate within an organisation, seeing that individuals are a key source of information (Matzdorf et al., 2000:107-108). The ability to be flexible and efficient is a major challenge for organisations (Lant & Mezias, 1992:47).

Tushman et al. (1986:29) and De Geus (1988:70) established that companies that had survived for prolonged periods had similar development structures. The companies adapted to the business environment, and changed from a survival state in unstable times to a development state when the tempo for change within the firm was sluggish. Hamel and Prahalad (1994:123) contend that as the firm progresses, management has to be prepared to re-examine the organisational context and adjust factors accordingly.

If a professional is recruited to provide an essential service for the firm, then the professional and senior staff members develop the firm's strategic objectives. In larger firms, the shareholders develop long-term objectives, but senior professionals develop the firm's operational objectives. On the other hand, if the firm is small, the organisational objectives are designed by the professionals and the goals of the firm incorporate the individual objectives of each professional. The professionals also oversee the implementation of the organisation's objectives (Løwendahl, 2005:59-60).

According to Hamel and Prahalad (1994:124-126), the consequence for not considering the future welfare of the firm leads to extremes such as organisational transformation procedures. Transformation procedures generally include downsizing, reducing the firm's business portfolio, reducing overhead costs and requiring staff members to do additional work. Restructuring or downsizing rarely alleviates the problem, since downsizing simply acts as a delaying mechanism.

Downsizing does not create future opportunities for the organisation or employees. Instead, downsizing is management's attempt to fix mistakes that occurred in the past.

Management may improve the prospects of the firm with a successful diversification strategy. A strategy to diversify into related service fields may be a realistic option for management. The characteristics of related diversification are discussed in the following sub-section.

2.5.3 Related diversification

According to Kaiser and Ringlstetter (2011:13), diversification is a development strategy that involves the expansion of the firm's services. Diversification allows the firm to offer clients a wider range of services. Diversification also enables a firm to maximise client relationships by increasing returns through the additional services.

Rumelt (1982:364) acknowledges that the related aspect of related diversification reduces the separation of the firm's resources and assets, while Grant (2008:407) reports that related diversification is not concerned with similar outputs or technology. Instead, related diversification refers to sharing organisational abilities and resources. The related aspect increases the transfer of knowledge and core competencies (Hitt, Ireland et al., 2001b:236; Lynch, 2006:417; 419). Core abilities do not depreciate when used; instead core abilities can be improved when shared and used. Diversification can be directed by core competencies and not simply by the appeal of the market (Prahalad & Hamel, 1990:81-82). By sharing common activities and resources, firms can save on overhead costs (Lynch, 2006:417; 419). Related diversification can also improve the company's competitiveness and allow risk to be distributed over the firm's broader business portfolio (Thompson et al., 2005:242).

According to Barney (1995:51), the effectiveness of a company's resources within a changing environment can be diminished when the resources are used on established applications. However, the effectiveness of the resources may be kept secure when the resources are used in other applications. The effectiveness of the diminished resources can also be improved in a changing environment if the resources are applied in other applications. Several companies took the traditional abilities of the firm and applied the traditional skills in newly discovered applications.

The reasons for firms applying traditional skills in other applications are discussed in the next sub-section.

2.5.4 Reasons for diversifying

When a firm diversifies, the firm endeavours to fulfil other performance responsibilities and generally aims to redefine the organisation's business characteristics (Ramanujam & Varadarajan, 1989:525-526). Knowledge-intensive firms (KIFs) that specialise in a particular area take huge risks when offering limited services to a limited number of clients. Knowledge-intensive firms have to manage the number of services on offer and the number of clients the organisation serves (Starbuck, 1992:733). Firms that diversify make gradual changes and focus on the organisation's capabilities when implementing strategic initiatives (Ramanujam & Varadarajan, 1989:525-526).

According to Thompson et al. (2005:237), one of the reasons behind diversification is that the market of a single specialty business can diminish. When the outlook of the core service begins to decline, the prospect of diversifying into other markets becomes a major concern. A firm is a primary contender for diversification when the outputs and technology are similar to existing outputs; competencies can be leveraged further by expanding into markets that can use the firm's capabilities; related markets provide new opportunities to minimise overhead costs; and the firm has a well-known reputation, which allows it to venture into other sectors.

Diversification can also be warranted when an organisation begins to idle and struggle in an environment in which the firm previously had a span of success. The theory on which the firm is based is said to be "out-of-sync" with the organisation's environment when a firm begins to struggle. The flawed theory includes assumptions about the firm's business markets, apart from other factors (Drucker, 1994:95-96). Before an organisation diversifies into related services, crucial factors need to be considered. The factors are discussed in the following sub-section.

2.5.5 Factors to consider before venturing into related services

According to Markides (1997:93-99), the decision to diversify should not be taken lightly by management. The risks and rewards associated with diversification can be great. Six essential factors that management has to establish before the decision to diversify can proceed are listed below.

- 2.5.5.1 Is the organisation capable of dominating other firms in the related market?
- 2.5.5.2 Does the firm have the necessary strategic assets for making a success in the chosen market?
- 2.5.5.3 Can the firm surpass other organisations in the chosen market by acquiring missing strategic assets that are needed for successful diversification?
- 2.5.5.4 Will the new market enable the firm to share or divide organisational competencies and resources?
- 2.5.5.5 Is the firm capable of entering a new market by offering something distinct to clients, which other competitors cannot easily imitate?
- 2.5.5.6 Is the firm organised in such a way that the firm will learn from the diversification process and apply the accumulated knowledge to other future endeavours? (Markides, 1997:95-99).

If management can successfully accomplish some of the abovementioned factors, then the success rate of related diversification may be increased. However, there are other environmental factors to consider, which are discussed below.

2.5.6 Internal environment's influence on strategy

Owing to the volatile nature of the construction industry, the internal environment and external environment need to be continuously monitored (Murphy, 2012). Factors like routine patterns, internal cultures, and assignment dissemination combine to create the organisation's structure, which in turn supports the organisation's strategy (Thompson et al., 2005:328). According to Bartlett and Ghoshal (2002:36), management's contribution has to shift towards structuring the perspective of the firm, and not the selection of strategic components. Strategic objectives should consider the individuals at the bottom of the hierarchy. The process implies establishing a renewed purpose within the firm and restoring the importance of personal effort. The values of the firm must be communicated in order for organisational effort and organisational objectives to be aligned. Management has to create an environment where individuals feel valued and where empowerment, commitment, development, and effectiveness are key priorities.

Firms that achieve prolonged success have strategies and practices that continually adapt to the external environment, while the firm's core principles and core objectives remain unchanged. Top-performing firms know what organisational factors are open for variation and what factors need to remain consistent (Collins &

Porras, 1996:65). Moreover, strategies should be formed based on the firm's previous accomplishments. Strategic objectives should also focus on the resources and abilities of the firm, in addition to the environmental realities within which the firm exists (Christensen, 1997:142).

According to Thompson et al. (2005:341), translating strategic objectives into operational activities and positive results is the main purpose of implanting a strategy. Determining whether operations match or surpass strategic objectives is an excellent way of measuring the successful implementation of strategy. Underperformance and poor strategy implementation are signs of an ineffective strategy. Management needs to determine which circumstances within the firm are required, which should be carried out, which should to be modified, or whether a new strategy is required. Management has to introduce the missing components if any internal components are found to be lacking.

As indicated by Murphy (2012) and Christensen (1997:142) in this sub-section, the external environment cannot be overlooked by management. Indeed, management should strive to integrate the objectives of the organisation with the needs of the external environment. The influence of the external environment on strategy is discussed in the following sub-section.

2.5.7 External environment's influence on strategy

Daft and Weick (1984:286) contend that translating environmental circumstances, building mental models, establishing and sharing the importance of the previously mentioned factors, and gathering ideas from management, could be defined as interpretation at an organisational level. Before a firm can learn and take the appropriate action, the firm has to be able to interpret environmental circumstances. Acquiring feedback after an organisational action has been taken, enables staff members to achieve a better understanding of the situation.

According to Thompson et al. (2005:327), firms cannot settle down, even when the organisation's core abilities and competitive functions are organised and performing. When the strategy of the firm and the external environment change, competencies need to be updated and, if necessary, replaced. Outdated capabilities can weaken the competitiveness of the firm. In fact, firms can be seen as having a developing set of competencies if the organisation's knowledge and experience resources are developed according to changing markets and growing strategies. Choosing the

appropriate time and method to modify and/or renew existing skills is a crucial management challenge when developing the firm. Selecting the appropriate occasion and technique may be a difficult task, but the correct selection, ultimately, creates a flexible and adaptive firm.

Alternative markets and lucrative opportunities may arise when the firm's environment fluctuates. New requirements on the part of the client and new implementation methods are the result of a changing environment. Structural shifts in the environment also give rise to new competitors (Porter, 2008:90).

Although there are various reasons for service diversification, there are risks associated with this development strategy. The shortcomings linked with service diversification are examined in the following sub-section.

2.5.8 Service diversification shortcomings

Diversification in general is not a guaranteed path to organisational success. Generally, firms with lower levels of diversification are financially superior to firms with high levels of diversification (Montgomery, 1994:172). According to Carman and Langeard (1980:7), service firms should not make excessive use of the firm's image and service delivery systems by attempting to serve multiple sectors. Grant (2008:397) states that a diversified firm must not only have connections between multiple businesses fields, because mere connections alone are insufficient. Transferring skills and sharing knowledge more effectively than conventional organisational types has to be the main structural objective of the diversified firm.

Firms transfer reputation when diversifying into related markets. For clients to believe that the organisation is competent throughout its range of services, the diversified firm must seriously invest in the new services if it intends to be successful. A firm risks losing the credibility of the specialist aspect of a particular service offering when it invests resources in certain service offerings at the expense of the remaining services on offer. To be precise, diversification can harm the image of the firm if it is only partially committed to organisational services (Greenwood et al., 2005:664).

According to Greenwood et al. (2005:664-665), professional service firms have difficulty shifting reputation from one service offering to another, and, as a result, a "stickiness" with reputation transfer occurs. Professional service firms have greater

difficulty transferring reputation than product-producing organisations, because the services of PSFs are intangible. A critical factor is whether clients and staff members view the diversified services as genuine, regardless whether linkages between services offerings are explicit or implicit. For diversification to be authentic, the company must have an equally invested diversification portfolio and not purely related services offerings.

Service diversification is a development strategy as indicated by Kaiser and Ringlstetter (2011:13). The organisational and environmental challenges of service diversification have been discussed, but the strategic challenges for management are examined in the following sub-section.

2.5.9 Strategic orientation challenges for management

Christensen (1997:141) states that thinking strategically is not a competence that a majority of management teams develop. Management teams are incapable of modifying the course of the company, even when the strategy that elevated the company has come to be outdated. Managers have steadily allowed strategy to be replaced by operational performance (Porter, 1996:64). Managers are not too concerned with long-term strategies and tend to give attention to pressing work issues (Mintzberg, 1990:164). According to Egbu et al. (2005:13), a shortage of style and vision on the part of management is the most significant barrier to growing a company beyond the organisation's original state.

Maister (1993:208) and Hamel and Prahalad (1994:123) proclaim that urgent issues within firms frequently take precedence over organisational development issues. Maister (1993:208) adds that the value of key strategic issues is generally understood by professionals, though strategic responsibilities are regularly neglected. In the end, expenses on operational activities assist the implementation of strategic objectives. Professionals seem to, like everybody else, pay attention to today's problems, while disregarding an investment in tomorrow's issues. Drucker (1964:1) acknowledges that management seldom spends time envisioning a future for the firm. Indeed, management has to dedicate significantly more time to think about the organisation's future (Hamel & Prahalad, 1994:123). An executive has to manage challenges more effectively and skilfully, in order to think of the future. To do this, management requires a systematic approach for today's work (Drucker, 1964:1).

Even if management allocates time for strategic thinking, professionals are usually reluctant to support an organisation's objectives or be a part of another person's plan if the objectives do not consider the professional's own ambitions. Consequently, a majority of professional firms do not have hierarchy structures, but rather operate the business on a managing partnership basis (Quinn et al., 1996b:72). If management considers the organisational and environmental factors associated with pursuing related service diversification, then a strategy may be developed. The various methods of forming a strategy are discussed in the following sub-section.

2.5.10 Methods of forming a strategy

According to Mintzberg et al. (1998), strategies can be formulated in a variety of ways. Strategy formulation can be formed through numerous methods, namely: through conception, a formal process, an analytical process, a visionary process, a mental process, an emergent process, a process of negotiation, a collective process, a reactive process, and a process of transformation. Strategy formulation methods are discussed below.

2.5.10.1 Forming a strategy through a process of *conception* (or design)

Designed strategic formulation methods aim to match the firm's internal abilities with the opportunities of the external environment. A designed strategy usually consists of a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. A vast majority of the researchers supporting the designed form of strategy clearly indicate that once the strategy has been approved, the next step is to execute the strategy. The designed strategy pathway has some uncertain elements, namely, an organisation aiming to establish a niche in a particular market can limit the firm's outlook and a designed strategy is not something that is learned, but is conceived. By means of deliberate thought, the strengths and weaknesses of the firm are recognised; thereafter, strategic plans are produced (Mintzberg et al., 1998:24-46).

The problem with a designed strategy is that an organisation cannot foresee the results of implementing a strategy based on strengths and weakness that were not previously tested. Implementing a preconceived strategy contradicts the existing structures that are in place within the firm. The organisation's history is an important part of the organisation's future. Even if structures within an

organisation are flexible, the structures cannot simply be replaced with new strategies. For that reason, a strategy has to consider the organisation's structure (Mintzberg et al., 1998:24-46).

2.5.10.2 Forming a strategy through a *formal* (planning) process

A planned process focuses on a strict formal approach and includes training, procedures, analysis of systems, and an analysis of numbers. Sophisticated professionals that plan the entire strategic process guide the implementation of the strategy. Explicit operations are part of the detailed implementation process. The disadvantage of using the formal method is that planning can weaken the commitment of middle management [in larger organizations]. Middle management can be strictly controlled and can be neglected. An organisation also becomes inflexible when plans are made. A clear course of action has been determined, which can disregard the existing elements of the internal work environment. Planning aims at making steady changes, but the implementation process necessitates immediate change in the workplace. The planning process is also designed around existing organisational functions, which makes implementing change even more difficult (Mintzberg et al., 1998:48-80).

2.5.10.3 Forming a strategy through an *analytical* (positioning) process

The analytical formulation process focuses on positioning the firm in a particular market within a specific industry. By doing this, the firm can defend the market against contenders. By defending the firm's position, the firm can prosper in that specific market and continue to expand on the firm's existing capabilities. The analytical strategic method is custom made and addresses the firm's environmental conditions. Drawbacks associated with the analytical strategy are similar to those of the conception strategy and formal strategy formulation processes, since the strategy formulation method is deliberate. Programmed actions weaken the learning process. The analytical method also precariously forecasts the future by estimating present organisational trends, in addition to depending heavily on the company's numerical data (Mintzberg et al., 1998:82-122).

2.5.10.4 Forming a strategy through a *visionary* (entrepreneurial) process

An individual leader is responsible for envisioning and developing a visionary strategy. The leader focuses on factors such as judgement, wisdom, and experience. The leader is personally responsible for the construction of the strategy. The organisation thus has to comply with the unplanned mission of the leader. The leader has to endeavour to realign the organisation when the company is not fully compliant with the direction of the strategy. An implication of the visionary strategic method is that the strategy is flexible, because the strategy relies on the leader's experience. The strategic direction is purposeful, in addition to being emergent as the strategy progresses. A strategy resulting from a visionary process is creative when compared to the previous three strategy formulation methods (Mintzberg et al., 1998:124-148).

Nevertheless, the analytical strategy has drawbacks. The drawback of this strategy formulation method is that a single individual (the chief executive) conceives the strategy. The process used by the individual is somewhat hidden and indefinite, which can be hazardous if the organisation begins to struggle. The chief executive can also become immersed in the process if the required operations begin to escalate, which eventually leads to the destruction of the firm. Visionary strategies can an important venture for small firms (Mintzberg et al., 1998:124-148).

2.5.10.5 Forming a strategy through a *mental* (cognitive) process

The cognitive strategy formulation method focuses on the knowledge required for strategy making, as opposed to the actual strategy. The strategist's methods and thoughts are based on personal experience. The mental process brings about two distinct viewpoints, namely, an objective and subjective view. The objective perspective views knowledge structuring as something that scans the environment to piece together a snapshot of the business. The recorded image is somewhat obscure. The subjective perspective interprets the previously mentioned image as some form of strategy. The subjective perspective takes an internal glance, which is the opposite of the external glance of the objective perspective. The subjective perspective achieves this by analysing signs and behavioural characteristics of clientele. The cognitive model has value in terms of potential, but not in terms of contribution. The cognitive model validates the fact that cognition is a major part of the strategy process, but the cognitive

model has not really contributed to the management of strategy (Mintzberg et al., 1998:150-174).

2.5.10.6 Forming a strategy through an *emergent* (learning) process

In the learning model, strategy formulation is learned. The learning model differs significantly from other strategic models, which generally argue that the strategy is formed by or initiated by management. The learning model proposes that traditional methods of strategy formulation may be popular, but traditional models do not consider the actual realities within firms. The learning method is important for any organisation entering a new situation since the learning process allows the firm to discover the organisational context. The learning process is also an essential route for organisations in volatile or dynamic environments. The learning method is different from the previous strategy formulation methods. The learning method of strategy formulation has no apparent strategy, which can lead to a lost strategy or worse, the incorrect strategy (Mintzberg et al., 1998:176-232).

A firm cannot achieve a truly emergent or intended strategy because firms cannot avoid learning as the organisation progresses or predicts future possibilities. No organisation can leave circumstances to chance by being flexible and relinquishing control. Actual organisational strategies fall along a scale, where emergent and intended strategies can be found at opposing ends. A majority of strategies are positioned roughly in the centre of the scale, but some strategies can approach either side of the strategic scale. Strategies can be created in several ways and an opportunity can arise from a deviation in the strategy or creativity can be sparked by a limitation in the strategy. A change in strategy can also be motivated by factors such as monotony and experimentation (Mintzberg, 1987:69-70). Levinthal and March (1993:105) assert that learning can affect competitive advantage positively and negatively. Learning also guides organisations into exploiting and exploring the firm's environment.

2.5.10.7 Forming a strategy through a process of *negotiation* (power)

A negotiated strategy is formed through influence and negotiations. The type of power associated with a negotiated strategy is synonymous with political power, but solely for economic purposes. Using politics exploits the use of power for

economic benefits. Relationships using power can be divided into micro and macro levels. Power on a micro level is concerned with people making deals within the organisation. Power on a macro level is concerned with the organisation making deals with other external parties. The negotiated strategy formation method is difficult to sustain in small firms, but larger organisations can maintain power relationships for longer periods. The consequence of the negotiated strategy process is that strict power patterns can overlook other patterns that may arise naturally. Power agreements on a macro level can create collusion, which can produce problems within the industry and within society. Political power can encourage change. Power can also influence staff members in support of the existing hierarchical state of affairs. Power can also hinder organisational change and create resistance in the organisation (Mintzberg et al., 1998:234-262).

According to Levinthal and March (1993:102), only short-term benefits can arise from wielding power in an organisation. The use of power can also have long-term repercussions. Power does not enable a firm to adapt to the environment. Instead, the use of power allows the firm to modify the environment. As opposed to adapting to the environment, firms with market power can compel other competitors to adapt to the outputs and strategies of the dominant firm. The firm may not recover if the firm's capacity to persuade the environment becomes plagued by uncontrollable factors such as economic and governmental changes (Mintzberg et al., 1998:234-262).

2.5.10.8 Forming a strategy through a *collective* (cultural) process

In the cultural model, strategy is formed by means of collective interests. The cultural model uses the organisation's culture to sustain strategic objectives. Indeed, culture influences individuals and determines the organisation's method of operations. Culture separates one company from the other, as with the differences between industries and nations. The cultural model can make implementing change a difficult prospect, especially when cultural traditions become established. Culture is difficult to establish, and even harder to change; however culture is rather easy to break down (Mintzberg et al., 1998:264-284).

2.5.10.9 Forming a strategy through a *reactive* (environmental) process

With the reactive method, the environment has a major influence on strategy formation. Specifically, the firm allows the environment to set the organisation's tempo. Apart from the environment, other factors (on a lower scale) influencing the reactive method include the organisation and the leadership within the firm. The environment in the industry is not exclusive to the reactive model. The environment is also a factor in other strategy formulation models, but the environment is rather more apparent in the positioning model. The environmental model is very competitive. A drawback associated with the environmental method is that certain strategists can perform well in difficult situations, while others struggle under the simplest conditions. The environmental model also has a narrow view, if not a distorted one. There may be short periods of environmental hostility, but the instability does not occur in every market. Depending on the market, managing a strategy can be reckless in such unstable conditions (Mintzberg et al., 1998:286-300).

2.5.10.10 Forming a strategy through a *transformation* (configuration) process

The transformation method can be divided into the configuration and transformation phases. Configuring an organisation eventually leads to a transformation process. Change within an organisation is a process, but change is not strategy. Strategy is mainly about stability, whether stability is achieved through purposeful patterns or accomplished via emerging methods. A strategy process can modify an organisation's pathway if the consequential strategy intends on stabilising the chosen path. The one side of the transformation method deals with the process phase and the other deals with transforming to the next phase or state. Configuring a firm to transform can be beneficial, but transformation can also be detrimental to the organisation. The transformation model illustrates the importance of adjustment, even if transformation is for short periods of stability (Mintzberg et al., 1998:302-348).

No fixed organisational structure can be a universal remedy for every environmental situation. Within the same organisation, a variety of organisational structures can effectively be present. Employees within the firm can be retained and intellect can be maximised to produce unique functions if the various structures are effectively used. For an organisation to produce various functions, the company requires a unique organisational culture for

each structure. Performance management techniques and incentive schemes also need to be used to assist the different types of cultures that may exist within the organisation (Quinn et al., 1996b:80).

A factor that may benefit the success of a particular strategic formulation method is the amount of related knowledge that the firm has of the chosen service market. The significance of related knowledge is analysed in the next sub-section.

2.5.11 Related knowledge's influence on related diversification

According to Cohen and Levinthal (1990:128-131), the ability to distinguish relevant data, integrate the relevant data, and employ the relevant data, commercially depends on the related aspect of the individual's knowledge. The collective ability of distinguishing, integrating and employing relevant data is known as the "absorptive capacity" of the firm. By being involved with routine, analytical, or educational activities, a firm can develop absorptive capabilities. In order to develop the absorptive capabilities successfully, the firm must be engaged in the activity for a lengthy period because enabling employees to exploit earlier knowledge for short periods is inadequate.

Increasing learning activities and improving the performance of learning depend on the related knowledge of the individual. When learning and learning abilities are combined with related knowledge, learning enables the individual to integrate and maximise information. A person's skills only increase to a certain extent when learning is unrelated to existing knowledge. One thus has to consider the significant value that a diverse knowledge base can play in learning. A diverse knowledge base increases the opportunity for individuals to extract relevant information from uncertain sources. A diverse knowledge base increases the probability that the information is related to the individual's existing knowledge (Cohen & Levinthal, 1990:131). A firm can also better adapt to market changes and new client requirements if professionals in the firm are trained to have a diverse set of skills (Kaiser & Ringlstetter, 2011:100-101). The various related service markets are discussed in the following sub-section.

2.5.12 Related services

Related diversification deals with sharing abilities and resources (Grant, 2008:407). Transferring knowledge and skills is important for employee development, and

according to Argote and Ingram (2000:151;154), transferring knowledge within organisations is where the experience of one individual or group has an influence on another individual or group. Sharing knowledge advances the recipient's knowledge (Egbu et al., 2005:13). A firm can also better adapt to market changes and new client requirements if professionals in the firm are trained to have a diverse set of skills. An important challenge for management in a professional service firm is to harmonise the firm's capabilities with the firm's chosen markets (Kaiser & Ringlstetter, 2011:6; 100-101).

Nkado (2000) acknowledges that quantity surveying firms will practise more management-related abilities in the future. Boon (2008) indicates that to counteract the challenges of a shrinking service market, quantity surveying firms in New Zealand have ventured beyond the organisation's core quantity surveying services and progressed into management-related services. A number of popular related services are discussed below.

2.5.12.1 Property planning and development appraisal service

With development appraisal, the quantity surveyor provides elements such as construction costing, market trends, procurement, programming, and quality specifications (Marshall & Yates, 1990:21). Surveyors are an essential requirement for managing property, since a surveyor is one of the main contributors to making property development sustainable (RICS, 2006b:4).

2.5.12.2 Property valuation service

The valuation of properties is important for an affluent property industry and steady economy. Valuing a property includes financial decisions, performance analysis, development and transaction advice, statutory applications, taxation, and dispute resolution (RICS, 2006c:4).

2.5.12.3 Value management (also known as value engineering) service

Providing the client with the desired quality at the best possible price is the main objective of value management (Kelly & Poynter-Brown, 1990:54). Value management provides the client with value for money. Value management can be applied to a variety of projects, but value management tends to be restricted

to high-value projects because of the cost associated with executing this service (Ashworth & Hogg, 2002:131).

2.5.12.4 Risk management service

The construction sector is one the highest-risk sectors in the economy. The degree of risk in construction varies over time. Risks are attributed to a variety of construction activities. Insufficient data, the lack of knowledge, and uncertainty essentially produce risk (Flanagan & Stevens, 1990:121). Risks in the design and production of the project are highlighted and minimised (Ashworth & Hogg, 2002:152).

2.5.12.5 Project management service

One can define project management as the general planning, coordination and control of a building project from the start through to the finish. The aim of the project management service is to guarantee that the project meets the requirements of the client, in terms of the project's completion time, quality and costs (Seeley, 1997:333). Competencies such as management and technical skills are essential abilities that the project manager has to possess (Ashworth & Hogg, 2002:320; 326).

2.5.12.6 Whole-life costing (also known as life-cycle cost management) service

All expenses and revenues connected with the purchase, operation, maintenance and disposal of the building are considered in whole-life costing (Kishk et al., 2003:5). Every benefit and expense flowing throughout the project's life is associated with the lifecycle approach (Hoar & Norman, 1990:140). Each building has a functional lifespan and because of this, it is important to determine the expenses associated with this period (Ashworth & Hogg, 2002:116).

2.5.12.7 Contractual disputes service

Contractual disputes include alternative dispute resolution pathways such as adjudication, arbitration, mediation, and expert witness. Disputes are a daily occurrence within the construction sector; however most disputes are resolved harmoniously without the need for dispute resolution. Projects that are initiated

with good intentions can give rise to disputes. Even when every prospective problem has been identified and removed, disputes can still occur (Ashworth & Hogg, 2002:303).

2.5.12.8 Facilities management service:

- Hard facilities management service

Hard facilities management can be defined as sustaining, enhancing and adjusting the organisation's building to produce an environment capable of meeting the needs of that company (Barrett & Baldry, 2003:xi). Facilities management ensures that the company's buildings and services work effectively and efficiently (RICS, 2009b:3).

- Soft facilities management service

Soft facilities management, like maintenance management, includes appraising the life of the building and the influence of maintenance on capital and rental values. Maintenance management can be classified as planned maintenance and unplanned maintenance (Seeley, 1997:354; 356) or preventative and corrective maintenance as indicated by Ashworth and Hogg (2002:344). Ashworth and Hogg (2002:344) note that existing structures require periodic maintenance, especially when building owners do not have sufficient capital to replace the building.

The ability to perform one or more of the aforementioned related services may have an effect on the people within the organisation as well as the people outside of the organisation. The influence of diversification is discussed in the following sub-section.

2.5.13 Influence of diversification

Diversification may have a major influence on the reputation of the organisational member and the organisation. A reputation tends to affect the decision of the client and other role players in the industry and broader community.

2.5.13.1 Influence of diversification on organisational members

Reputation plays a major role in a professional's career. For this reason, the mere opportunity to advance a professional's reputation is enough to motivate a professional. Professionals need to build up a good reputation while non-professionals are not required to do this (Fox, 2006:65-66).

According to Kaiser and Ringlstetter (2011:50), a client's perception of a PSF depends on the professional within the firm, and not just the services on offer. The individual professional within the firm or the organisation as a complete entity can form the reputation of the firm. Nevertheless, the status of a PSF tends to be connected with an individual rather than with the collection of individuals that comprise the firm.

2.5.13.2 Influence of diversification on the organisation

A significant number of new clients for professional firms are acquired through word-of-mouth marketing, and because of this, the firm's reputation is a key factor for determining the practice's competitive advantage (Murphy, 2012). The reputation of the company is a vital part of the firm's capacity to satisfy the business needs of the firm. A company is liable to maintain essential staff if it wishes to be acknowledged for providing good service and has a competitive reward package, in addition to valuing the wellbeing of organisational members (Pearce & Robinson, 2009:119).

Strong reputations can increase work opportunities for a firm. Additionally, a strong reputation is also a requirement for acquiring profitable contracts. Strong reputations are an indication of the firm's knowledge and skills (Kaiser & Ringlstetter, 2011:5). The client base of a firm grows in accordance with the firm's reputation, without the support of additional marketing expenses (Greenwood et al., 2005:663).

According to Fombrun (1996:3-5), a combination of people's experiences with that particular service provider is what a reputation represents. Good reputations convince people that the firm is able to produce what was promised. People also prefer finding employment with highly respected firms, just as people prefer using highly respected professionals. Strong reputations are an

important strategic asset, since strong reputations promote the firm's capabilities and, consequently, provide management with additional options.

Every firm has assets in the form of a reputation. Assets can be large or small. In today's challenging information-driven environment, a critical factor for executives is the management of reputation assets, and the knowledge assets that shape the reputation (Fombrun, 1996:10). The reputation of an organisation may influence potential clients. Potential clients seek to fulfil specific needs when looking to employ a professional service firm. Client expectations are discussed in the next sub-section.

2.5.14 Client expectations from PSFs

According to Maister (1993:21), clients seek three distinct features from PSFs, namely, expertise, experience and efficiency. Maister (1993:21) further notes that a client places varying degrees of significance on the three aforementioned factors. There are clients that exist for every type of professional practice, and even though firms may want to respond to the desires of every type of client (especially in competitive industries), the task is practically impossible.

2.5.14.1 The expertise-based PSF

The expertise-based PSF handles projects that are of high risk to the client since the project is strategic in nature (Kaiser & Ringlstetter, 2011:6). For a complex, large and high-risk work content, a client looks for the most creative and talented firm or individual, at nearly any expense. Experience is helpful, but the client places a higher regard on advanced expertise. The client in support of the expertise-based PSF represents a small portion of overall clients (Maister, 1993:21).

The expertise-oriented practice only employs the brightest graduates from the best universities. Employees are trained internally through high-standard informal learning systems. The company makes use of a move-up or move-out promoting system, which ensures that the best employees are retained. Organisational development is focused on building individual reputations, as opposed to developing the firm's reputation (Maister, 1993:23-24).

Growth is not a major concern for the practice. The firm is managed by a partnership, which is headed by a leader that encourages high standards. The development of the business is the responsibility of every business partner. Profits are derived from high-priced rates, which is the result of the firm's complicated work portfolio. Potential profits are invested back into the firm, in order to retain talented individuals (Maister, 1993:23-24).

2.5.14.2 The experienced-based PSF

The experienced-based PSF handles projects that consist of a number of challenges (Kaiser & Ringlstetter, 2011:7). Being able to rely on previous experience to deal with similar issues is essential to some clients, as opposed to seeking out talented and creative people. Expertise and efficiency are necessary, but the firm prefers pursuing similar projects rather than intellectually based projects. Instead of relying on the capabilities of the individual, the organisation's reputation is based on the collective experience of individuals (Maister, 1993:21; 24).

The experience-oriented firm usually has a stable group of clients. Work is less complicated and time is primarily spent on familiar technical tasks. Service rates are usually lower because the rates are offset by the firm's range of clients. The firm can employ a broad selection of talented junior professionals, and even experienced individuals. Training in the experience-based firm consists mostly of structured external education, which occurs after working hours. The practice can contain a wider array of talent, as long as the practice can enhance the skills of staff members through the combined experience of staff members within the firm. Growth of the firm is somewhat controlled. Management is pressured to provide career prospects for experienced junior staff, since junior staff members are an essential element of the practice. Ownership tends to be equally divided, and new business partners and/or shareholders need to purchase shares to participate in potential profits (Maister, 1993:24-26).

2.5.14.3 The efficiency-based PSF

The efficiency-based PSF deals with procedural projects. The firms provide services that are relatively consistent (Kaiser & Ringlstetter, 2011:7). The efficiency-oriented practice has a high volume of clients, who are primarily concerned with efficient services comprising familiar, low-risk work. Factors

such as billing rate, reliability, and speed are some of the characteristics of an efficiency-based practice (Maister, 1993:26; Quinn et al., 1996b:72). A majority of the professionals work on complicated, but similar problems. The work entails using a recurring set of multifaceted skills, although creativity is required on occasion (Quinn et al., 1996b:72). Maister (1993:26) further contends that the fee charge is stabilised by the use of technology and junior staff members.

Efficiency-oriented practices normally employ a fixed billing rate, and with numerous junior professionals, the firm has to approach company growth in a planned manner to stabilise the firm's lower costs. Management has to be increased if growth is to be pursued, since project supervision and standards need to be maintained (Maister, 1993:26). The practice requires detailed, disciplined, and organised managers, instead of a leader. The ownership of the firm is strictly guarded. Several corporations in this category are equally owned. A transfer of business ownership is achieved by selling company stock (Maister, 1993:27).

2.5.14.4 Variations between the three PSF models

The differences between the PSF models include the type of clients, hiring dynamics, promotion systems, fee structure, ownership, and management styles. There are significant differences between the three types of firms, which make the three types of firms incompatible with one another. Expertise-type firms are generally based in a single location. Expertise-type firms rely on the firm's reputation to draw in clients. When practices evolve from experienced-based to efficiency-based, the partner firms tend to increase in number, in order to serve additional clients. Apart from the marketing changes that occur over the practice's life cycle, the responsibility for the growth of the business also changes (Maister, 1993:27).

According to Quinn et al. (1996b:72), managers focus on producing outcomes which are highly intellectual and consistent. Management has to be prepared for projects that require creative thinking.

2.6 Chapter summary

According to the information contained in this chapter, management plays a central role in an organisation. Support from management allows additional resources to be invested in learning initiatives (Srivastava & Frankwick, 2011:161). Management is able to shape the organisation so that the organisation can support a productive organisational culture. A manager is able to direct a firm to important organisational initiatives (Mintzberg, 1990:171). Learning and developing knowledge are essential for individuals in professional organisations (Maister (1993:144). The development of the employee's knowledge and skills is necessary for maintaining a high standard of work (Levinthal & March. 1993:106).

The challenges associated with an organisation's culture, learning and the development of knowledge, and service diversification were also discussed. The literature highlights many characteristics that may support or hinder a professional quantity surveying firm's ability to develop knowledge and related services, as indicated in the problem statement. A supportive learning culture has learning mechanisms that promote learning and the sharing of knowledge (Garvin, 1993:81-87), which is important for developing knowledge and related service skills. Learning from past projects, setting aside a time to develop staff members, and providing access to knowledge resources is important. Finding more opportunities to learn internally and externally, developing effective and efficient learning systems, and regular encouragement from management for employees to learn and share knowledge are equally important for employee development (Garvin, 1993:81-87; Garvin et al., 2008:110-113) and are some of the factors that form part of a supportive learning culture that can benefit professional quantity surveying firms. Factors like experienced staff members working independently of inexperienced staff members, and prioritising pressing work issues over learning and employee development issues, tend to work against a supportive learning culture.

Learning and the development of knowledge and skills could possibly improve the firm's prospects of venturing into related services. Allowing staff members to develop skills in both related services and traditional quantity surveying services allows employees to participate in both explorative and exploitative learning, which may develop multi-talented individuals. Varying an employee's work experience and enabling employees to interact with experienced staff members can enhance the quality of the inexperienced individual's knowledge, as described by Nonaka (1994:22) and Swart and Kinnie (2003:63). Factors like management members limiting the

outlook of the firm, limiting the scope of work for employees, and limiting investment in related services, hinder the development of employees and related services. Related services cannot simply be additional services that the company wants to attach to the firm's services portfolio; the related service has to be convincing to interested parties (Greenwood et al., 2005:664). The service has to be established company wide, needs to be appealing to clients and has to be used by clients. A firm's service portfolio tends to indicate the capabilities of the firm as stated by the reputation aspect, but services that are not developed company wide or are hardly ever used by clients have a propensity to lack in appeal.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The methodology of the research encompasses the processes and guidelines for carrying out a technical study in a systematic and rational manner (Fellows & Liu, 2008:30). The methodology employed to conduct the research aimed to obtain data based on truth, impartiality and legitimacy, which involved the preparation, formation and implementation of methods in order for the research requirements to be met (Brynard & Hanekom, 2006:36).

The aim of the research is to establish an understanding of and identify key components of management's strategic influence on: (a) the organisation's culture, (b) the development of knowledge and (c) the development of related services and skills within professional quantity surveying firms in South Africa. To achieve the aims of the study, the following objectives were developed:

- 3.1.1 To determine the strategic role of management within professional quantity surveying practices from a supportive learning culture perspective.
- 3.1.2 To determine management's influence on the development of knowledge through learning mechanisms in the firm's culture.
- 3.1.3 To determine management's involvement in the development of related services leading to the development of related service skills within the organisation's culture.

From the objectives it is evident that the study focuses primarily on the influence of management on the staff members in professional quantity surveying firms. The unit of analysis comprises individuals, namely, the management members of professional quantity surveying firms.

3.2 Methodological approaches

Researchers that endeavour to collect information in person are collecting primary data. Conversely, information collected from the efforts of other researchers is called secondary information. The methodologies used to collect data can be divided into two broad categories, namely, qualitative methods and quantitative methods (Brynard & Hanekom, 2006:36).

3.2.1 Qualitative method

Qualitative research considers characteristics or qualities that are harder to transfer to numerical form. The qualitative approach generally strives to analyse the complexities of a specific situation (Leedy & Ormrod, 2010:94).

Qualitative methods generate descriptive data from the participant's oral or written communication. The data obtained may result from the participant's point of view or personal experience. The data obtained normally does not include numerical data (Brynard & Hanekom, 2006:37).

According to Brynard and Hanekom (2006:37), there is the likelihood that the researcher has to adjust the research strategy once unforeseen discoveries are obtained. Qualitative research occurs in natural settings, thus the participants' insights play a key role; however the researcher should not attempt to influence the participants (Patton, 2002:39; Maree, 2007:78-79).

Designs in qualitative studies are generally shaped by single or multiple research strategies (De Vos et al., 2005:268). The strategy of a qualitative study is determined by the decisions and actions of the researcher. The researcher may create and customise a strategy to match the research conducted (De Vos et al., 2005:269).

3.2.2 Quantitative method

The quantitative and the qualitative approaches possess similar structures. The processes, however, are executed in different ways, leading to distinctly different research methods (Leedy & Ormrod, 2010:94).

A quantitative study essentially focuses on allocating quantities to an examination. Allocating quantities is accomplished by quantifying or measuring items, which produce data. Occurrences in the area of concern are evaluated by means of research surveys (Brynard & Hanekom, 2006:37).

3.3 Design type

A multiple case study consisting of eleven diversified firms was used for the research. A study of two or more cases allowed the researcher to make comparisons or propose

generalisations. Case studies are ideal for learning about a poorly understood set of circumstances (Leedy & Ormrod, 2010:137). The perspectives of multiple participants and the interactions between the participants can be analysed by using multiple case studies. A superior understanding of the nature of the situation is an important attribute of multiple case studies (Maree, 2007:75).

Case studies do not necessarily signify that a specific method has to be used. Quantitative or qualitative evidence can be used for case studies (Yin, 1981:58). This research uses a multiple case study design and employs a mixed-method approach. A mixed method is crucial for thoroughly understanding a specific circumstance and for challenging existing perspectives and theories. A mixed-method design can produce detailed findings, since qualitative and quantitative data are examined in the same study (Maree, 2007:261). A mixed-method approach can minimise and eliminate the drawbacks associated with an individual design approach. A mixed-method approach ultimately creates synergy through a multi-faceted examination (Fellows & Liu, 2008:28).

A mixed-method research design reinforces the study through a two-dimensional approach (De Vos et al., 2005:357). A mixed-method approach can involve data collection methods such as interviews and surveys (De Vos et al., 2005:357). The mixed-method design allows questions to be answered through text and numeric information. Surveys and interviews can be employed consecutively so that conclusions can be drawn from the two techniques (Maree, 2007:266).

3.4 Primary data collection

The most informative, valid and legitimate information in the study originates from the collection of primary data (Leedy & Ormrod, 2010:89). The primary data collection process is the lengthiest part of the research. Adding a new perspective, fresh knowledge and expanding one's horizons cannot be done without primary data (Brynard & Hanekom, 2006:35).

The primary data of the study was collected through interviews and questionnaires. Collectively, interviews and questionnaires provided a better perspective of the research area when compared with using one particular research method.

3.4.1 Sampling method

The criterion sampling method was chosen for the study. According to Maree (2007:79-80), a criterion sample implies that the sample has been selected specifically because of certain characteristics (criteria) that are present in the selected sample. The criteria for selection were: professional quantity surveying firms were required to be small or medium in size; firms were required to have at least one related service offering; firms were required to have a manager (who was an owner or a part owner), non-management quantity surveying staff members and firms had to offer related service(s) in-house or at least participate in the execution of the related service.

3.4.2 Research population and participation

The population of the study was confined to professional quantity surveying firms in the Western Cape region of South Africa. Professional quantity surveying firms were chosen since such firms tend to be very conservative and changes within these PSFs are difficult, as highlighted by Greenwood et al. (2005:664-665). The professional quantity surveying firms for this study were small- and medium-sized enterprises (SMEs). Firms that were sole proprietors (a single owner and operator) did not form part of the study, owing to the absence of the required criteria.

The participants of the study included a manager (business owner or part business owner) and staff members. Staff members consisted of both junior quantity surveying staff members and senior quantity surveying staff members. Managers have generally been with the firm since the firm's inception and therefore were considered to have an excellent knowledge of the firm. Management members were also deemed likely to have considerable knowledge of the organisation's culture, learning systems, and the strategic characteristics of the firm. Non-management quantity surveying employees are involved in the firm's day-to-day activities. Staff members also act as observers in the workplace. A manager and staff member were therefore deemed valid participants.

3.4.3 Interviews

Interviews were conducted with management members that are also owners or part owners. The main method of collecting data in qualitative studies involves interviews (De Vos et al., 2005:287). According to Maree (2007:87), one-to-one interviews

involve collaborative communication between the participant and the researcher. Communication allows the researcher to learn and collect information, such as the participant's ideas and experiences. Interviews enable the researcher to view the situation from the participant's perspective. Interviews provide the researcher with detailed information, which is essentially the aim of the data collection process.

3.4.4 Interview type and design

Interviews (see Appendix C for interview questions) that are used to authenticate external information are often semi-structured in nature. Semi-structured interviews normally include pre-arranged questions, which allow for clarification and probing questions. Semi-structured interviews do not require a lengthy time to execute (Maree, 2007:87). Furthermore, semi-structured interviews fit comfortably between structured interviews (rigid design with minimal probing questions) and unstructured interviews (there are no limitations to the respondent's answers) as asserted by Fellows and Liu (2008:157). Interview questions enabled the researcher to interact with participants, which improved the authenticity of the data. Constructive-type probing questions were integrated into the list of interview questions prior to the interviews.

Interviews were digitally recorded so that transcripts could be produced afterwards. Transcripts allow the data to be analysed at a later stage. Collecting data and recording minutes are critical aspects of a qualitative data collection process (Maree, 2007:92).

3.4.5 Questionnaires

Questionnaires (see Appendix D for the research questionnaire) were personally handed to quantity surveying staff members to complete. Questionnaires are one of the most commonly used data collection techniques (De Vos et al., 2005:166). A questionnaire allowed the researcher to collect facts from people regarding a particular research area. A list of questions, together with a rating scale, is normally used in questionnaires (Leedy & Ormrod, 2010:189).

Quantity surveying staff members were given a period to complete the questionnaires. The researcher was on hand to clarify any uncertainties about the questionnaire. The researcher did not influence the participants in any manner and was present only for clarification purposes (De Vos et al., 2005:168).

The questionnaire utilised a few statements from the learning organisation survey of Garvin et al. (2008:112-113) and the learning organisation questionnaire of Marsick and Watkins (2003:143-145). The statements were adapted to meet the characteristics of this research.

3.4.6 Questionnaire type and design

The questionnaire had close-ended questions, which simply means that there were predetermined options available for the candidate, which corresponded to the statement (De Vos et al., 2005:166). Statements in the questionnaire were related to the questions of the interview. Questionnaires contained Likert-scale statements, which enabled participants to rate items positively or negatively.

Responses for the statements ranged from “never” to “always”. A response of “never” had a weight of one while a response of “always” had a weight of five points. Responses for the final section of the questionnaire ranged from “strongly disagree” to “strongly agree”. A response of “strongly disagree” had a weight of one, while a response of “strongly agree” had a weight of five. On the other hand, the ratings given for negatively oriented statements were calculated and given the appropriate score. The scoring of the statements from the questionnaire may be interpreted in Table 3.1.

Table 3.1: Scoring of questionnaire statements

Score	Rating (percentage)	Response (section A and B)	Response (section C)	Level of satisfaction
1.00 - 1.49	20 - 29	Never	Strongly disagree	Dissatisfied
1.50 - 2.49	30 - 49	Seldom	Disagree	Poor
2.50 - 3.49	50 - 69	Sometimes	Uncertain	Average
3.50 - 4.49	70 - 89	Often	Agree	Good
4.50 - 5.00	90 - 100	Always	Strongly agree	Excellent

3.4.7 Data analysis

Data was examined and interpreted in similar fashion to a traditional multi-case study; however, the results and conclusions presented were organised into themes, as opposed to an individual case analysis. This allowed for an improved presentation and analysis of the responses of management members (the unit of analysis). Statements from the questionnaires were linked to the questions of the interview. Responses from management members were separated into appropriate

groups. These responses were presented and analysed together with the complementary statements from the questionnaires. Some statements from the questionnaire could apply to more than one interview question. Logical analysis was used for analysing the statements from the questionnaire. Similarly, by using an inductive analysis, an interpretation could be established from the prevailing themes of the data (Maree, 2007:99).

In qualitative studies, the researcher initiates the analysis by explaining the significance of the findings. The findings may be in the form of interview transcriptions or written notes. The researcher analyses the evidence by combining the findings with his/her personal understanding of the subject, which essentially gives the evidence meaning (Patton, 2002:477-478). Moreover, patterns are identified from the data and patterns may possibly be prejudiced to that body of evidence (Leedy & Ormrod, 2010:96).

According to Leedy and Ormrod (2010:96-97), generalisations do not occur exclusively in qualitative analysis. Researchers normally use rationalisation and generalisation in a recurring manner. Researchers using the quantitative approach often attempt to support the study by experimenting and extracting conclusions once they have generated a theory from a limited number of events. Likewise, researchers in the qualitative field may initiate the analysis using generalisation to find a common argument, but may eventually conclude the analysis by using a logical process. The logical process may involve using supplementary information to confirm the analysis.

3.5 Limitations of the investigation

Even the most cautiously designed research can have a number of limitations. The researcher has to endeavour to minimise problems, since research problems cannot be completely removed (De Vos et al., 2005:119-20).

The study did not cover related services that were purely accomplished by corporate mergers, acquisitions or outsourcing. Organisations offering related services internally, namely, through learning, development of knowledge, hiring technical staff and transferring skills, and by means of collaboration through joint ventures, were included in the study.

3.5.1 Limitations of the interviews and questionnaires

A limitation of interviews can include altered responses, which can result from a knowledge deficiency, personal interest, politics, and the emotion of the participant. A participant's poor recall abilities and lack of feedback can also produce skewed data (Patton, 2002:306).

The limitation of inflexible questionnaires is that the questionnaires may constrain the responses of the participants. A solution to the limitation problem is to provide accommodation for alternative responses (Fellows & Liu, 2008:154). Questions from the interview and statements from the questionnaire mainly related to daily activities; thus the need for participants to recall was minimal.

3.5.2 Limitations of previous literature

To make a thorough examination of the available data in a common area of concern is often impossible for the researcher. The researcher, therefore, has to filter, organise, and integrate observations from a variety of authors. The researcher has to select the essential data from a general area of concern when conducting research (Brynard & Hanekom, 2006:60-66).

Most of the literature incorporated into the study contained single and multiple frameworks. In addition, some literature was generic in nature. Nevertheless, relevant characteristics were extracted from the literature and incorporated into the study.

3.6 Validity

Validity is an indication of whether a research instrument is sufficiently suited to measure the intended area of concern. Validity questions the appropriateness of the data-gathering process (Brynard & Hanekom, 2006:47-48).

According to Maree (2007:12-13), validity can be separated into multiple categories. Validation characteristics include face validity, content validity, construct validity, and criterion validity.

- 3.6.1 *Face validity* is concerned with the appearance of the instrument. To maintain a suitable degree of face validity, an expert in the chosen area of concern has to examine the instrument before the instrument is used in the field.
- 3.6.2 *Content validity* is concerned with the content that the instrument intends examining, and whether the instrument is capable of examining the complete issue. To ensure the content is valid, the researcher has to allow an expert to study the criteria in advance. Once an expert has provided feedback, the researcher can adjust the content accordingly.
- 3.6.3 *Construct validity* is necessary when the instrument contains multiple related categories or components. A valid construct is required to ensure the instrument is consistent. To evaluate the general subject, the combination of responses from every section of the instrument has to be taken into account.
- 3.6.4 *Criterion validity* tends to be the most significant measurement factor. Results of a previous instrument in a similar study are used as a benchmark for the proceeding study. The validation of criteria can be determined once similarities are drawn between results of past and present findings (Maree, 2007:12-13).

The arrangement of statements on questionnaires is positively and negatively oriented to maintain consistency. Furthermore, the irregular pattern aims to prevent positive bias, in addition to reducing distortion. The validity of the interview questions and questionnaires were evaluated by the supervisors of this research project, in order to maintain a high standard in terms of appearance, subject matter, layout, and criteria.

3.7 Reliability

The consistency and correctness of an instrument are indications of reliability. When tested under similar circumstances, the instrument has to be able to reproduce comparable results (Brynard & Hanekom, 2006:48).

The reliability and validity represent the degree of error that may be present within an instrument. The context of reliability and validity varies with every sector of the research, for example, the type of data collected, the methodology, and the problem being investigated (Leedy & Ormrod, 2010:29).

The research supervisors assessed the reliability and validity of the instruments. By allowing the supervisors to examine the instruments for reliability and validity, the researcher ensured that an adequate degree of consistency was maintained.

3.8 Ethical considerations

The ethics associated with the implementation of research is predominantly concerned with the principles of right and wrong. Research must be conducted in an honourable manner (Brynard & Hanekom, 2006:84-85). Factors like protecting participants from harm, acquiring consent from participants, providing participants with privacy in terms of identity, and maintaining honesty and integrity are extremely important (Leedy & Ormrod, 2010:101-103).

- 3.8.1 Acquiring approval: Participants were informed of the main characteristics of the research and given a choice whether or not to participate in the study. Participants were informed that participation throughout the study process was optional and not compulsory. The basic theme of the study was conveyed to the participant, since full disclosure may encourage the participant to behave dishonestly or provide skewed feedback.
- 3.8.2 Protecting participants: The individuals participating in the study must not be exposed to mental or physical harm while participating in the research. Researchers must avoid damaging the confidence of or humiliating the participants.
- 3.8.3 Confidentiality: Every participant is entitled to confidentiality. The identity of the contributor must remain private. The information provided by participants must also remain confidential. If the researcher wants to make the information or identity of the participant public, then written consent is required from the contributor.
- 3.8.4 Maintaining honesty: The information provided by participants is recorded and represented truthfully. Information must not be misinterpreted or distorted by the researcher for personal interests. Research findings must never be fabricated to maintain preconceived theories (Leedy & Ormrod, 2010:101-103).

The research conforms to the Cape Peninsula University of Technology (CPUT) codes of ethical practice. The names of individuals and organisations were not mentioned in the study. Codes were used to classify individuals and/or organisations to ensure anonymity.

The researcher does not anticipate that the results of the research will significantly benefit any firm. The research is informative, but the research does not illustrate or act as a blueprint for corporate success or domination to the detriment of other professional firms in the built environment.

3.9 Chapter summary

The research methodology chapter served to explain the methods used to achieve the objectives of the study. The approach, data collection methods, sampling technique, population, and analysis were evaluated. Consequently, a guideline for conducting the research was discussed.

The research design was a multiple case study comprising a mixed-method approach, which included a combination of qualitative and quantitative research methods. Data collection methods involved one-on-one semi-structured interviews and self-administered questionnaires. The statements on the questionnaires are linked to the questions of the interview and provide a numerical perspective. Data was analysed and arranged into themes rather than individual cases for improved presentation of the feedback of management members.

The individuals who contributed to the interviews and questionnaires were a manager (business owner or part business owner) and both senior and junior quantity surveying staff members, respectively. Participants were sourced from a criterion sample of firms located only in the Western Cape region of South Africa.

CHAPTER 4

ANALYSIS OF THE INTERVIEWS AND QUESTIONNAIRES

4.1 Introduction

The analysis of qualitative data is normally based on the idea of interpretation. The interpretation scrutinises relevant qualitative data such as perspectives and knowledge, in order to construct an understanding of a particular circumstance. By using an inductive analysis, an interpretation can be established from the prevailing themes of the data (Maree, 2007:99).

The aim of Chapter 4 is to present an analysis of the research interviews and questionnaires which were conducted with management and staff members. The data aims to establish an understanding and identify key components of management's strategic influence on the organisation's culture and the development of knowledge leading to the development of related services and skills in professional quantity surveying firms.

Responses from management are separated into appropriate groups and analysed together with the complementary statements from the questionnaires. The analysis of the interviews and questionnaires is divided into three major sections. The three sections include organisational culture, learning and the development of knowledge, and service diversification.

4.2 Background of the participants that completed interviews and questionnaires

The background enables the researcher to establish important facts about the participants. Eleven professional quantity surveying practices participated in the study. Eleven management members were interviewed for the study. The background characteristics included the age of the practice, qualifications of management members, the number of previous employers, and the number of years that management members had been involved in the construction industry.

4.2.1 Background to research interviews with management:

4.2.1.1 The age of the quantity surveying practices

The average age of the 11 professional practices was 14 years. The youngest firm was six years old, while the oldest firm was 28 years old (as shown in Table 4.1).

Table 4.1: Age of professional quantity surveying practices

	COMPANY										
	A	B	C	D	E	F	G	H	I	J	K
Age	28	15	14	6	9	15	15	7	18	17	8

4.2.1.2 The qualifications of management members

Management member “K” had a National Diploma in building science and a diploma in project management. Seven of the eleven management members (management members A, B, D, E, F, G and J) had a Bachelor of Science (BSc) degree in quantity surveying. Two management members (management members C and F) possessed a Bachelor of Technology (BTech) degree in quantity surveying and two management members (management members H and I) had a National Higher Diploma (NHD) in quantity surveying. Five of the eleven management members (management members B, D, E, G and K) held additional qualifications. Three of the five management members (management members B, G and K) had a diploma in project management, quality assurance management, and project management, respectively. Management member “E” had a National Diploma in civil engineering, while management member “B” and management member “D” held a Master of Science (MSc) degree in property studies (as shown in Table 4.2).

Table 4.2: Qualifications of management members

	MANAGEMENT MEMBER										
	A	B	C	D	E	F	G	H	I	J	K
Qualification	BSc	BSc	BTech	BSc	BSc	BTech	BSc	NHD	NHD	BSc	ND
		MSc		MSc	ND	BSc	Dip				Dip
		Dip									

4.2.1.3 The number of previous employers of management members

Management members had two previous employers, on average. One management member had no previous employers. Two management members had four previous employers, which was the highest number of previous employers (see Table 4.3).

Table 4.3: Number of previous employers of management members

	MANAGEMENT MEMBER										
	A	B	C	D	E	F	G	H	I	J	K
Previous employers	1	1	0	4	3	4	3	3	3	3	3

4.2.1.4 The number of years of experience of management members

Management members had an average of 25 years' experience in the construction industry. The least number of years' experience that a management member had was 14 years and the most experience that a management member had in the industry was 37 years (as shown in Table 4.4).

Table 4.4: Number of years of experience

	MANAGEMENT MEMBER										
	A	B	C	D	E	F	G	H	I	J	K
Years' experience	30	14	14	15	37	31	17	26	32	33	17

4.2.1.5 The professional experience of management members

Management members had been practising as professionals for an average of 17 years. The shortest period that a management member had been practising as a professional was six years and the longest period that a management member had been practising as a professional was 29 years (see Table 4.5).

Table 4.5: Professional experience

MANAGEMENT PARTICIPANT											
Professional experience	A	B	C	D	E	F	G	H	I	J	K
	26	11	8	6	24	24	15	11	18	29	6

4.2.2 Background to the questionnaires completed by junior staff members and senior staff members

At least one non-management quantity surveying staff member in every professional quantity surveying firm had to complete a questionnaire. Nine senior participants and thirteen junior participants completed questionnaires. An average of two participants in each firm completed a questionnaire.

4.2.2.1 The qualifications of quantity surveying staff members

Of the participants that completed a questionnaire, nine participants were senior staff members and thirteen participants were junior staff members. Six of the nine senior participants had a Bachelor of Science (BSc) degree in quantity surveying. One participant had a Bachelor of Technology (BTech) degree in quantity surveying, while the remaining two senior participants held a National Diploma (ND) in building science.

Of the thirteen junior participants, seven had a Bachelor of Science (BSc) degree in quantity surveying. Three participants held a Bachelor of Technology (BTech) degree in quantity surveying, while the remaining three junior participants had a National Diploma (ND) in building science, as shown in Table 4.6.

Table 4.6: Qualifications of senior staff members and junior staff members

COMPANY												
		A	B	C	D	E	F	G	H	I	J	K
Qualifications	Senior	BSc		BSc		ND		BSc		BSc	BSc	BTech
						ND					BSc	
	Junior	BSc	BSc	BSc	BTech		BTech	BTech	BSc	BSc	BSc	ND
			BSc		ND		ND					

4.2.2.2 The number of years quantity surveying employees have been employed by the firm

Senior staff members had been employed by the firm for an average of six years. The longest period that a senior member had been employed by the firm was thirteen years, while the shortest period of employment was three years.

Junior staff members had been employed by the firm for an average of four years. The longest period of employment by a junior member was five years, while the shortest period of employment by a junior member was one year (as shown in Table 4.7).

Table 4.7: The number of years employed by the present firm

		COMPANY										
		A	B	C	D	E	F	G	H	I	J	K
Years employed	Senior	10		13		6		10		3	6	5
						7					7	
	Junior	5	4.50	3	1		4	3	3.50	1	5	1
			3		3.50		5					

4.3 Section A – Organisational culture analysis

The organisational culture section contains six interview questions. The six interview questions are accompanied by feedback from the research questionnaires. The questionnaires contain statements that are linked to the interview questions. Responses from interviews provide data from the manager's perspective, while staff members provide feedback from an employee's perspective. Where applicable, questions are divided into sub-sections. The sub-sections constitute the different opinions of management members.

4.3.1 What type of work relationship exists between management and staff members? (Please explain the reason for having this type of work relationship with staff members.)

The data for the first interview question in the organisational culture segment is divided into three sections. The sections include management that has a formal work relationship with staff members, management that has an informal work relationship with staff members, and management that has a combination of a formal and informal work relationship with staff members.

Sub-section A: Management that has a formal work relationship with staff members

Four management members (management members in company A, C, H and K) had a formal type of work relationship with employees. Management members proclaimed that the practice had rules and regulations that govern the way staff members work. Management members added that employees had to maintain a level of professionalism in the practice. Every member was responsible for carrying out certain activities and management had to administer the work process in a particular way. Management member “K” declared that employees tended to take advantage if employers did not have a formal work relationship with staff members.

From the responses of management members (management members A, C, H and K), the formal type of work relationship tends to generate a stricter working environment. A stricter work environment may cause employees to behave in a more reserved way than usual. The restraint associated with a stricter work environment may stifle an employee’s development in the workplace. A stricter work environment also tends to produce a somewhat tense workplace when compared with the other work relationships, which can negatively influence an employee’s attitude. The attitudes of people within the company can be influenced by an individual’s work situation, specific segments of work, or management (George & Jones, 2008:78). A stricter work environment may also affect employee commitment. Maister (1993:207) acknowledges that the factors differentiating successful professional practices from ordinary practices are factors such as commitment, energy, enthusiasm, and motivation. Commitment is often dominated by authority in hierarchical organisations, which generally reinforces conformity (Senge, 1996:2).

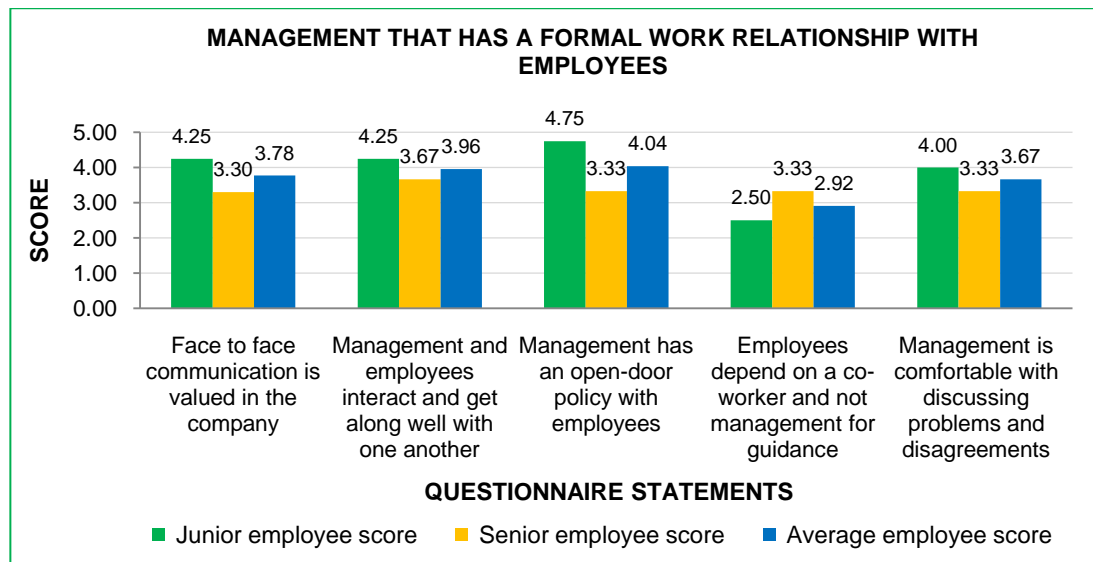


Figure 4.1: Management that has a formal work relationship with employees

Table 4.8: Combined scores of the statements from employees for Figure 4.1

Reference: Company A, C, H and K		
Participant(s)	Total score for statements	Rating (%)
Junior	19.75 out of 25	79
Senior	16.96 out of 25	68
Junior & Senior (average)	18.36 out of 25	74

As seen in Figure 4.1, junior participants in sub-section A indicated that management often interacted and communicated with employees on a face-to-face basis. Junior employees contended that management was often available and that it was often easy to discuss work-related issues with management. Junior staff members often depended on a co-worker for support with work activities. The cultural components for this sub-section are rated at 79 percent (see Table 4.8 for the total score of statements), which indicate that junior staff members are pleased with the support elements of this sub-section. Junior staff members in this instance depended largely on senior staff members for support and, therefore tended to grow closer to senior staff members because of this. The bond that develops over time between junior staff members and senior staff members enables co-workers to form a sub-culture. Junior participants primarily assist senior participants. Senior participants tend to dispense work activities to junior staff members and, at the same time, mentor junior staff members on that particular activity.

Senior participants in this sub-section (sub-section A) pointed out that management occasionally interacted with employees and that this interaction occurred on a face-to-face basis. Interaction between staff members is an important part of an organisation's culture (Schein, 1990:111-112). Neglecting to interact with staff members can lead to a decrease in employee support, which leads to a wasted

opportunity to motivate and positively reinforce the vital relationship between an employee and management (Ivancevich et al., 2008:111; 130). Senior employees noted that management was occasionally available and that it was sometimes easy to discuss work-related issues with management. Senior staff members tend to require support on an occasional basis since senior staff members have more experience than junior staff members do. The level of satisfaction that senior employees have with the cultural components in this sub-section is rated at 68 percent, which is an indication that senior staff members are satisfied to some extent.

Factors like communication, access to management and management's attitude towards discussing problems in the workplace remain a concern for senior staff members, since these factors were only given an average rating by senior staff members. Communication between staff members and management is an important factor in the workplace. Communication is essential for organisational development and staff member development, especially in the context of strategy implementation (Matzdorf et al., 2000:107). The combined responses for the cultural components in this sub-section suggest that employees are frequently satisfied with management since the satisfaction levels with this set of cultural elements are rated at 74 percent.

The feedback for management's support from junior staff members in sub-section A was better than the feedback given by senior staff members in the same group. From a management perspective, this could be so because junior staff members require more support and are still in the process of gaining experience, which is in contrast to senior staff members, who have more experience and require less support and interaction from management. From the analysis in this sub-section, the formal work relationship provides the least support of the three types of work relationships that exist between management and employees.

Sub-section B: Management that have an informal work relationship with staff members

Three of the eleven management members (management members in company F, G and J) had an informal working relationship with employees. Management members proclaimed that the reason for having an informal type of work relationship with employees is that they were informal by nature. Management stated that the informal work relationship suited their style and that the work relationship with employees was friendly by nature. Management added that staff members got along

with one other and worked well together, and that every employee contributed to work activities in the firm.

From the responses of management (management member F, G and J), the informal work relationship is likely to be the most communicative and the most employee-friendly type of work relationship, when compared with the formal and combination of formal and informal work relationships. Matzdorf et al. (2000:107) acknowledge that communication is essential for organisational development and staff member development. The informal work relationship may enable staff members to be more motivated and empowered, owing to employees' level of freedom in the workplace. Maister (1993:207) declares that commitment, energy, enthusiasm, and motivation are vital components of a successful professional practice. Staff members' in an informal type of work relationship may also be less fearful when exploring their abilities and utilising skills to implement work activities.

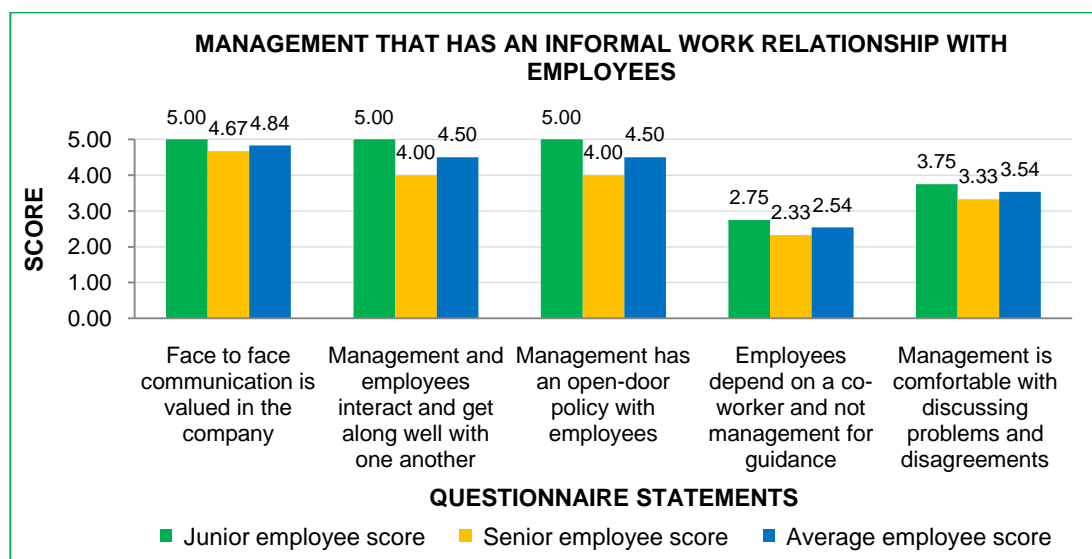


Figure 4.2: Management that has an informal work relationship with employees

Table 4.9: Combined scores of the statements from employees for Figure 4.2

Reference: Company F, G and J		
Participant(s)	Total score for statements	Rating (%)
Junior	21.50 out of 25	86
Senior	18.33 out of 25	73
Junior & Senior (average)	19.92 out of 25	80

As shown in Figure 4.2, junior participants in sub-section B specified that management regularly interacted and communicated with staff members on a face-to-face basis. Junior employees found that management were regularly available and that it was often easy to discuss work-related issues with management. The abovementioned cultural elements ensured a rich level of communication between

junior staff members and management, as described by Schermerhorn et al. (2011:267). Junior staff members sometimes depend on a co-worker for support with work-related matters, which shows that junior staff members also depend on management for guidance with work activities. The cultural components of this sub-section are rated at 86 percent (see Table 4.9 for the total score of statements). The high rating indicates that junior staff members are very satisfied with the accessibility and guidance that management members provide.

Senior staff members in sub-section B, on the other hand, had various ratings for the abovementioned cultural components. Face-to-face communication was rated higher than the ratings for interaction, availability, and ease of discussing issues with management. Just like junior staff members, senior staff members depend occasionally on management for guidance, which signifies that management occasionally provides senior staff members with guidance on work activities. Senior staff members found that management members were comfortable with communicating and interacting with employees. Senior staff members indicated that management members were only somewhat comfortable with discussing problems and disagreements. Providing guidance and discussing problems and disagreements on an occasional basis may be acceptable to employees to a certain degree, but senior staff members may appreciate more support from management. Neglecting the previously mentioned cultural elements may cause relationship problems, which will lead to employee dissatisfaction, as illustrated by Herzberg's (1987) hygiene factors.

From management's viewpoint, discussing work-related problems and disagreements has more to do with that particular member's level of comfort than the general success of the project. Management probably expects that senior staff members are experienced enough to find solutions to problems and are able to accept a level of criticism when disagreements do occur. Discussing problems regularly is essential for a supportive work environment. From a senior member's standpoint, discussing problems and disagreements is vital because management appreciates the perspective of senior staff members and shows concern for the interests of senior staff members. Senior staff members rated the cultural components in this sub-section at 73 percent, which is reasonable. The combined response indicated that employees are 80 percent satisfied with the cultural components in this particular sub-section.

Just as in the formal work relationship, junior staff members in the informal work relationship provided more encouraging feedback of management when compared with senior staff members in both the formal and informal work relationships. From the analysis of this sub-section, the informal type of work relationship is ranked second out of the three types of work relationship in terms of support within the organisation's culture.

Sub-section C: Management that has a mixed work relationship with staff members

Four of the eleven management members (management members in company B, D, E and I) had a combination of an informal and formal work relationship with employees. The four management members declared that a mixed type of work relationship complemented the staff members and the set up in the office. Management members indicated that a supportive relationship existed between staff members and that every person in the office was approachable. The previous employer of management participant "E" promoted a mixed type of work relationship. Because of this, management member, "E" also supported a mixed type of work relationship, since management participant "E" was comfortable in that work environment. Management member "D" asserted that the individuals in company "D" had a supportive work relationship and assisted one another wherever possible. Management participant "D" added that acting as part of the team worked well with employees because teamwork breaks down barriers, which is what a hierarchy structure would not normally do.

Management members (management members B, D, E and I) declared that the work relationship was supportive in nature and that everybody was approachable should a staff member require assistance with work. Management aims to maintain a supportive work environment with the informal work relationship, which is vital for staff development. Maintaining supportive cultural elements is important for employee growth and development. Growth and development are crucial motivating factors that can lead to employee satisfaction (Herzberg, 1987). Management member "D" described that breaking the barriers that hinder support and development was a key aspect of management member "D's" relationship with members. A positive learning environment coupled with support from management can enable the firm to retain a perspective that supports learning (Srivastava & Frankwick, 2011:161). Management member "E" used the relationship model of his previous employer (see Table 4.3 for previous employers) for his own practice, since

participant “E” was satisfied in that environment. Management member “E” had first-hand experience with the mixed form of work relationship. This experience minimises the need for management to experiment in the practice or establish a relationship model that only benefits management and the business.

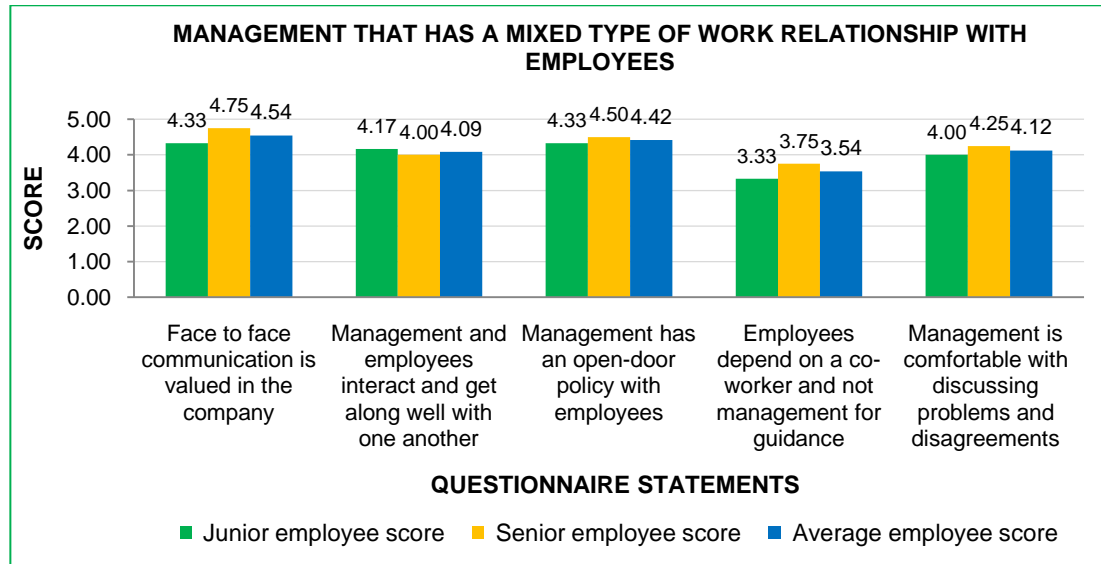


Figure 4.3: Management that has a mixed type of work relationship with employees

Table 4.10: Combined scores of the statements from employees for Figure 4.3

Reference: Company B, D, E and I		
Participant(s)	Total score for statements	Rating (%)
Junior	20.16 out of 25	81
Senior	21.25 out of 25	85
Junior & Senior (average)	20.71 out of 25	83

As seen in Figure 4.3, junior staff members in sub-section C specified that management frequently interacted and communicated with employees on a face-to-face basis. Junior employees found that management was often available and that discussing work-related issues with management was often easy. This frequent support within the firm corresponds to the statements made by management who holds support and accessibility in high regard. Junior staff members also receive an equal share of guidance from management and staff members. This indicates that the support within the firm is viewed as equally important to staff members and not just to management. The supportive cultural elements may improve an employee’s commitment and level of motivation in the workplace. Factors such as commitment, confidence, determination, energy, enthusiasm, and motivation are crucial elements that successful professional practices have in common (Maister, 1993:207).

Junior participants rated the cultural elements in this sub-section at 81 percent (see Table 4.10 for the total score of statements). A high rating is an indication that

elements within this work environment are oriented towards supporting a productive work environment, which is beneficial for employee learning and development. Senior participants in sub-section C found that management usually interacted with employees and valued face-to-face communication. Senior employees contended that management was regularly available in the event that staff members wanted to discuss work-related issues with management. The positive feedback from senior staff members suggests that senior staff members are regularly satisfied with the elements in this sub-section. Senior staff members mostly depend on management members for guidance with work-related matters. Assistance from management is to be expected, because management promotes a supportive work environment by being accessible and willing to engage in matters that staff members find important. Senior staff members rated the cultural elements associated with this sub-section at 85 percent, which is nearly consistent with the rating given by junior staff members. The mixed type of work relationship maintains a constant level of communication and interaction between management and employees. Weick (1987:123-124) asserts that a culture is particularly important if one wants to maintain a high momentum with activities at work.

Senior staff members (85%) in the combination type of work relationship were more satisfied with the support of management when compared with the feedback given by junior staff members (81%), which is in contrast to the feedback given by employees in the informal type of work relationship and formal type of work relationship. Junior staff members tend to rely more on senior staff members, while senior staff members rely more on management for guidance. The narrow margin between junior member and senior member scores in the mixed type of work relationship indicates that supportive cultural elements are more consistent in firms that have a mixed type of work relationship between management and staff members. The high reviews given for management suggest that employees that have a mixed type of work relationship with management receive more support and are thus capable of being more productive. This may improve the commitment of employees, since elements are in favour of employee development. The mixed type of work relationship is the most supportive of the three work relationships and has a combined score of 83 percent. The score is three percent higher than an informal work relationship and nine percent higher than a formal work relationship.

Summary

With the formal work relationship (sub-section A), the remarks from management focus primarily on two factors, namely, the behaviour of staff members (particularly staff members' conduct) and the work (specifically carrying-out activities) that has to be completed by staff members in the practice. With the informal work relationship (sub-section B), responses from management focused on management's behaviour (namely, the relationship that best suits management's style) and the relationship employees have with one another (namely, members get along and work well together) in the firm. With the mixed type of work relationship (in sub-section C), management's remarks focused on multiple factors. Factors included the behaviour of employees (management indicated that the relationship that best suited the employees), the physical environment (management specified the set up in the office) and ease of access to one another, regardless of an employee's status in the firm. Management that has a mixed type of work relationship with employees asserted that a supportive relationship existed between management and employees and that all individuals in the office were approachable. A supportive relationship between management and employees is very important with PSFs. Failure by management to interact with employees can lead to a decrease in employee support (Ivancevich et al., 2008:130). Garvin et al. (2008:110-111) affirm that a supportive work environment is one of the essential tools for reinforcing learning in the workplace.

From the responses of the questionnaires, junior staff members in sub-section A were the least satisfied (79%) with the formal work relationship, while junior staff members were most satisfied (86%) with an informal type of work relationship. Senior participants in sub-section A, on the other hand, were also the least satisfied (68%) with the formal type of work relationship, while senior staff members in sub-section C were the most satisfied (85%) with the mixed type of work relationship. From an overall employee perspective, the formal work relationship provides employees with the least support (74%), while the combination type of work relationship provides employees with the most support (83%). The combination type of work relationship offers fewer obstructions for the strategic role of management because more work-related factors appear to be considered in the combination type of work relationship.

4.3.2 Describe your (management's) thoughts on junior and senior staff members showing initiative within the firm?

The data for the second interview question in the organisational culture segment is divided into two sections. The sections include management members that welcome staff members that want to show initiative and management that encourages staff members to show initiative.

Sub-section A: Management members that welcome employees showing initiative

Nine of the eleven management members (management members in company C, D, E, F, G, H, I, J and K), felt that the showing of initiative was welcomed in the firm. The nine management members declared that showing initiative was an indication that staff members wanted to learn and that staff members wanted additional responsibility, which benefits the firm. Management members added that showing initiative was important if employees wanted to advance in any firm, since there were opportunities for employees that showed potential. Three management members (management member F, G and I) acknowledged that showing initiative made management aware of the efforts of that particular individual.

The nine management members (management members C, D, E, F, G, H, I, J and K) noted that showing initiative was likened to employees' wanting more responsibility. Management specified that taking on additional responsibility could lead to employees' gaining a promotion or at least for management to notice the added efforts exerted by employees. The encouraging factor in this scenario is that management shows a positive attitude towards employees showing initiative. Herzberg (1987) indicates that gaining more responsibility is an important motivating factor that can lead to employee satisfaction.

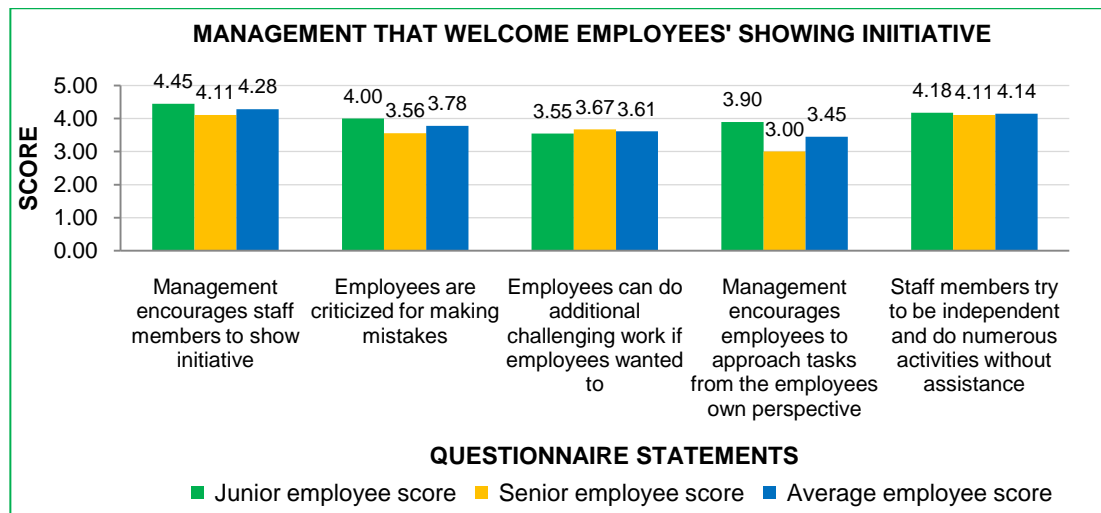


Figure 4.4: Management that welcomes employees' showing initiative

Table 4.11: Combined scores of the statements from employees for Figure 4.4

Reference: Company C, D, E, F, G, H, I, J and K		
Participant(s)	Total score for statements	Rating (%)
Junior	20.08 out of 25	80
Senior	18.45 out of 25	74
Junior & Senior (average)	19.27 out of 25	77

As illustrated in Figure 4.4, junior participants in sub-section A indicated that management encouraged staff members to show initiative, enabled employees to approach tasks from the employees' own perspective, and regularly gave employees the freedom to do challenging work. The reviews are promising for junior staff members that want to be more empowered in the workplace, since junior participants have fewer restrictions for developing skills and fewer constraints for implementing work activities. Empowerment, in this case, promotes independence where work activities are concerned (Nelson & Quick, 2003:377). When compared with senior participants, junior participants are given more flexibility when approaching tasks. This flexibility, coupled with management's leniency towards mistakes, makes the workplace ideal for junior staff members to explore and learn. Junior participants rated the cultural components of this sub-section at 80 percent (see Table 4.11 for the total score of statements), which signifies that junior staff members are satisfied with the previously mentioned cultural elements in the firm.

Senior participants in sub-section A found that management often encouraged senior staff members to show initiative and provided senior staff members with the freedom to do challenging work. Just as with junior participants, senior participants were seldom criticised for making errors. The positive cultural elements support an environment aimed at nurturing an employee's development. Providing

encouragement and room for staff members to develop is a crucial element that employees require in a supportive organisational culture. The two factors act as a catalyst for staff members to accumulate skills and to satisfy higher-order needs like self-esteem and self-actualisation, which fall under Maslow's Hierarchy of Needs (1970).

Junior staff members and senior staff members try to be independent by performing activities unaided. The negative aspect of senior staff members' being independent and performing activities single handedly is that junior staff members are somewhat deprived of assisting senior staff members with activities. Junior staff members lose out on learning experiences in the firm. Senior participants rated the five cultural components at 74 percent (see Table 4.11 for ratings), which signifies that the cultural elements associated with this sub-section are relatively acceptable to senior staff members. The combined score is rated at 77 percent, which is indicative that there is adequate support for employees showing initiative. The positive elements in this sub-section are capable of sustaining a supportive organisational culture.

Sub-section B: Management members that encourage employees' showing initiative

Two of the eleven management members (management members in company A and B) encouraged staff members to show initiative within the firm. Management members asserted that they endeavoured to develop the staff members that wanted to show initiative for the benefit of the employees and the firm. Management members added that they also tried to maximise the abilities of staff members and encouraged employees to find better methods of doing work by ensuring that staff members had the necessary skills.

Two of the eleven management members (management members A and B) encouraged staff members to show initiative in the firm and provided employees with the skills needed to maximise employees' productivity in the office. Management also encouraged employees to enhance the methods used to complete work activities. From the responses, management is focused on productivity rather than the independence that staff members gain from exercising initiative in the workplace. From a learning and development viewpoint, management's interpretation of initiative may be beneficial to employees in the firm. Balancing the needs of the firm with the needs of the individuals within the firm may be important. Løwendahl (2005:59-60) proclaims that in small firms the goals of the

firm incorporate the individual objectives of each professional. This is especially relevant when implementing support initiatives (like encouragement), which form part of something that is enduring like the organisation's culture.

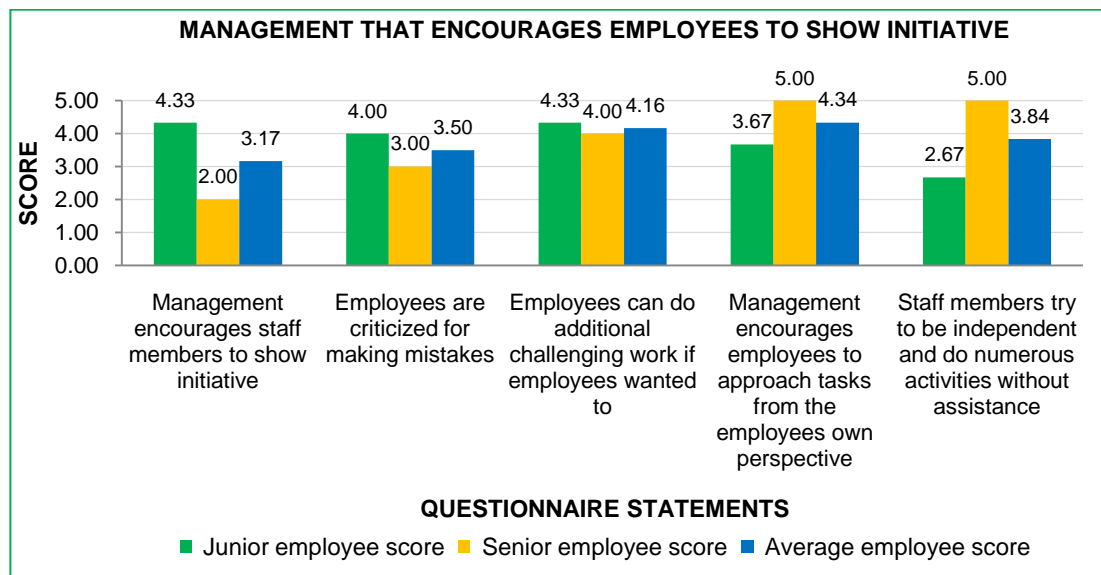


Figure 4.5: Management that encourages employees to show initiative

Table 4.12: Combined scores of the statements from employees for Figure 4.5

Reference: Company A and B		
Participant(s)	Total score for statements	Rating (%)
Junior	19 out of 25	76
Senior	19 out of 25	76
Junior & Senior (average)	19 out of 25	76

As shown in Figure 4.5, junior participants in sub-section B pointed out that management often encouraged staff members to show initiative, allowed staff members to do challenging work and encouraged staff members to approach tasks from the employees' own perspective. Increased responsibility and the ability to do challenging work are important elements that can motivate employees (Herzberg, 1987). The level of support in the firm, combined with the freedom to pursue challenging work through the staff member's own methods, provides junior participants with an excellent platform to develop new skills. A positive attitude from management towards junior employees can influence an employee's desire to remain with the firm (Taylor, 2003:36). Junior participants also occasionally strive to do activities independently. This implies that junior staff members also occasionally depend on colleagues for assistance, and appear to maintain a balance between being independent and being dependent on the guidance of senior staff members. There are opportunities for junior staff members who want to be independent and develop new skills, given that management provides junior staff members with

encouragement to show initiative. Junior participants rated the cultural elements in this sub-section at 76 percent (see Table 4.12 for the total score of statements), which is a satisfying score. By demonstrating more initiative, junior participants may improve and or develop new skills in the workplace.

Senior participants in sub-section B signified that management seldom encouraged staff members to show initiative in the firm. This indication suggests that the encouragement given to employees by management is primarily given to junior staff members and not senior staff members. This indication by senior staff members may also be in conflict with the responses of management, since management members asserted that they encouraged all staff members. Senior participants were occasionally criticised for making mistakes. Senior participants, in this case, received less support from management for encouragement and making mistakes, when compared with junior participants. Less encouragement, coupled with management's being somewhat critical of senior staff members making mistakes, may diminish a senior member's desire to make an effort and pursue more responsibility in the workplace. Senior participants were free to engage in more demanding work if they wished to. Management also encouraged senior staff members to approach tasks from the senior member's own perspective. The ability to assume more responsibility and to approach tasks from the employee's own perspective is promising, because added responsibility can increase a member's commitment, according to Herzberg's (1987) motivating factors. A negative aspect is that employees may be criticised for making mistakes, which may discourage senior participants from taking on additional tasks.

From a management perspective, senior staff members should probably make fewer mistakes. Senior participants practise more autonomy with activities when compared with junior participants. The negative aspect of senior staff members being independent is that junior participants receive fewer learning opportunities. Senior participants rated the cultural elements of this sub-section at 76 percent (see Table 4.12 for the total score of the statements), which is equal to the score of the junior participants, and thus equal to the combined score. Junior participants, on the other hand, viewed the development factors (namely, that junior staff members were seldom criticised and sometimes tried to be independent) in a more positive light when compared with senior participants. From a combined employee perspective, the identical score given by employees signifies that management in company "A" and company "B" is relatively consistent with junior and senior staff members, but uneven in terms of support.

Summary

The remarks of the management members (sub-section A) that welcomed staff members showing initiative focused on three factors, namely, responsibility, future possibilities for staff members, and the benefits that showing initiative might have for the firm. Two of the factors attributed to showing initiative are related to the employees, while one factor is related to the firm. Junior participants (80%) in sub-section A found management more supportive when compared with the views given by senior staff members (74%) on management level of support. The junior participants in sub-section A have a higher score than the junior participants in sub-section B.

The senior participants in sub-section A have a lower score than the senior participants in the firms whose management members encourage staff members to show initiative (sub-section B). The combined score of employees in sub-section A are rated at 77 percent, which is one percent higher than the firm whose management members encourage employees to show initiative. The score given by staff members from the two groups of firms (sub-section A and sub-section B) may be different, but the combined ratings of staff members were somewhat similar. From a supportive learning culture standpoint, the support mechanisms for employees showing initiative in sub-section A are more consistent than the supportive mechanisms in sub-section B. Support from management towards employees is an important factor that influences an employee's decision to remain with the practice (Taylor, 2003:36).

The remarks of management members (sub-section B) that encourage staff members to show initiative also focused on three factors, namely, providing staff members with the skills to maximise staff members' productivity, enabling staff members to be more effective in the workplace, and the benefits that showing initiative have for both the staff members and firm. Two of three factors focus on management's participation in supporting staff members that show initiative, while the other factor deals with the benefits that showing initiative have for the staff member and the firm.

The difference between management members in sub-section A and sub-section B is that management members in sub-section B interact more with employees that show initiative. The scores of junior participants (76%) and senior participants (76%)

are the same in sub-section B, thus the combined score of sub-section B is also rated at 76 percent. This implies that cultural elements surrounding the ability to show initiative in sub-section B are consistent, but there are obvious differences with the criticism management has for employees making mistakes and the level of encouragement that management provides for senior staff members. This is particularly true when one considers the indications of employees and the less than positive feedback given by senior staff members.

Participation on the part of management in sub-section B is vital for an employee's development and particularly important for maintaining support elements in a supportive learning culture. Management can also play a more effective strategic role by participating and interacting with staff members. By interacting with and supporting employees, management motivates and reinforces a vital relationship with employees (Ivancevich et al., 2008:130).

4.3.3 Do you (the manager) take a personal interest in the short-term and long-term career objectives of staff members? (If yes, explain how? and if not, explain why?)

The data for the third interview question in the organisational culture segment is divided into two sections. The sectors include management that takes a personal interest in the careers of employees and management that does not take an interest in the careers of employees.

Sub-section A: Management members that take an interest in the career objectives of staff members

Eight of the eleven management members (management members in companies A, B, C, D, F, H, I and K) take a personal interest in the career objectives of staff members. Management members declared that interest was shown on a face-to-face basis, but mostly in an informal manner through discussion. The eight management members explained that showing an interest in the careers of employees benefited the company, given that the development of staff members is important. According to management member "B", the main short-term career objective for junior staff members from the firm's perspective is to prepare and, ultimately get the junior member registered with the South African Council for the Quantity Surveying Profession. The long-term career objective from the firm's

perspective is to build a clear career path for registered staff members based on the person's strengths and the role that the person wants to fulfil in the firm.

Management member "I" noted that company "I" had a formal annual objectives meeting where management reviewed the individual objectives that were set for each staff member for the year. According to management member "I", the annual objectives include personal objectives as well as career objectives. The firm involves the human resources department in the process in order to maintain a record of the employee's progress. A record of an employee's performance allows management to review the employee's progress on a regular basis. Management member "I" added that in company "I", the evaluation could be done on a monthly or quarterly basis, and once again, at the end of the year to see whether the staff member had achieved the objectives set. Management member "H", on the other hand, denoted that company "H" took an interest in staff member's career, but only to some extent. Management member "H" explained that in the past employees would work for the firm for a short period then leave for a better paying job once the employee had acquired a certain level of experience.

Eight of the eleven management members (management members A, B, C, D, F, H I and K) take a personal interest in the career objectives of members. Most of this interest is conveyed through casual one-on-one discussions with each staff member. Although taking an interest is promising, members may not hold casual discussions in high regard since discussions are informal. Management may not be able to look back at the discussion or be able to use it as a guideline for the staff member's development. Management member "B", on the other hand, justified his argument by stating that the short-term career objective for junior staff members is to get junior staff members registered with the South African Council for the Quantity Surveying Profession, while the long-term career objective of registered staff members is to pursue and fulfil a particular role in the firm. Management member "B's" argument is valid, but it is important for management to communicate this matter to staff members. Argyris (1998:100) affirms that the personal objectives of staff members have to be considered, especially when collaboration in the workplace is a key determinant in the attainment of organisational objectives.

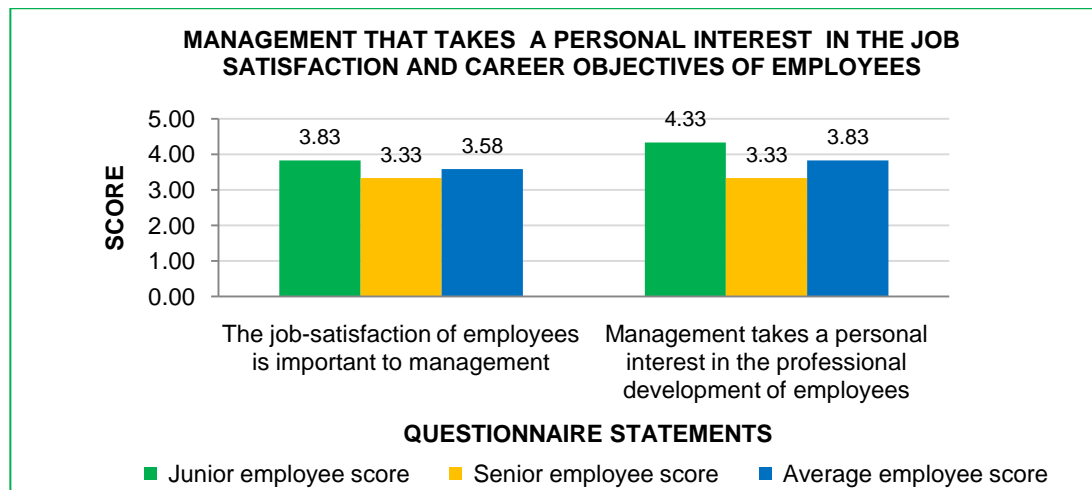


Figure 4.6: Management that takes an interest in the careers of employees

Table 4.13: Combined scores of the statements from employees for Figure 4.6

Reference: Company A, B, C, D, F, H, I and K		
Participant(s)	Total score for statements	Rating (%)
Junior	8.16 out of 10	82
Senior	6.66 out of 10	67
Junior & Senior (average)	7.40 out of 10	74

As illustrated in Figure 4.6, junior participants in sub-section A indicated that the job satisfaction of junior staff members was often important to management. Management often took a personal interest in the professional development of junior staff members. Management also regularly considered the personal and professional needs of junior staff members. This encouraging feedback from employees for management is important for the learning and development of junior staff members. Management appears to be sympathetic to the way in which the junior staff members progress in the practice. The discussions between management and staff members help fulfil an employee's need for belonging as illustrated by Maslow (1970), which may influence a staff member's level of commitment. Junior participants rated the cultural elements in this sub-section at 82 percent (see Table 4.13 for the total score of statements), which is moderately satisfying and vital for the development of junior staff members.

Senior participants in the practice indicated that management sometimes considered the job satisfaction of senior employees and sometimes took an interest in a senior member's professional development. Job-satisfaction forms part of an employee's work attitude (George & Jones, 2008:78), which may be improved through growth and development initiatives (Herzberg, 1987). The results from the feedback of employees for sub-section A show that junior participants are more satisfied than senior staff members are. Junior employees receive more support from management than senior employees do. Senior employees rated the cultural

elements in this sub-section at 67 percent, which is reasonably satisfying. The combined score is 74 percent. Support from management in sub-section A is oriented toward junior employees and should be equally divided between all employees within the practice. Bartlett and Ghoshal (2002:41) state that managers should endeavour to capture the minds and hearts of all intellectual people in the workplace, and not just the technical abilities of staff members.

Sub-section B: Management members that do not take an interest in the career objectives of staff members

Three of the eleven management members (management members in companies E, G and J) did not take a direct interest, but rather an indirect interest in the career objectives of staff members. The three management members asserted that they created a space for employees to develop and a space where staff members could be exposed to the various aspects of quantity surveying work. The three management members added that if employees were serious about development, then they would discuss the issue with management so that the employee and management could collectively create objectives and work towards achieving the objectives. Management member “G” acknowledged that if a staff member showed potential and worked hard, then management was likely to take an interest in the employee and assist the staff member, especially if the employee had a disadvantaged background.

Three of the eleven management members (management members E, G and J) seemed to be focused on the work activities rather than on the development and support elements. Creating a space for staff members to develop is essential, but there needs to be a supportive and interactive link between management and staff members. This supportive and interactive link is particularly important in small- and medium-sized organisations where interaction is possible. Communication between individuals is crucial for staff development and organisational development (Matzdorf et al., 2000:107).

Management members that show an interest in the career objectives of the employees score better than the management members that do not show an interest in the career objectives of employees. Neglecting to show interest in a staff member’s career can lower the staff member’s level of commitment, since this interest makes the staff member feel more removed from the practice. Maister (1993:207) declares that commitment is one of the important factors that separate

successful professional service firms from ordinary professional service firms within the same market.

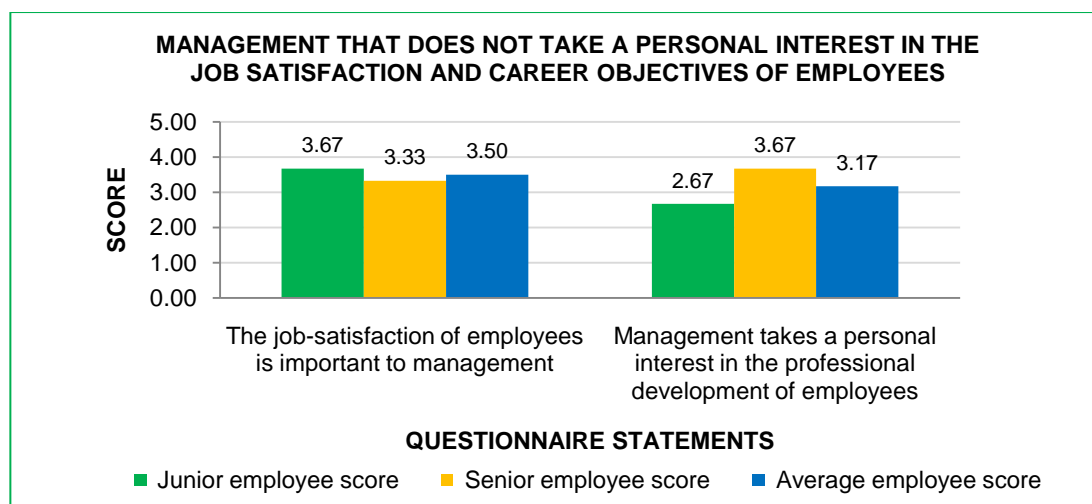


Figure 4.7: Management that does not take an interest in the careers of employees

Table 4.14: Combined scores of the statements from employees for Figure 4.7

Reference: Company E, G and J		
Participant(s)	Total score for statements	Rating (%)
Junior	6.34 out of 10	63
Senior	7 out of 10	70
Junior & Senior (average)	6.67 out of 10	67

As seen in Figure 4.7, junior participants in sub-section B felt that the job satisfaction of junior staff members was often important to management and that management sometimes took a personal interest in the professional development of junior staff members. The job satisfaction of junior staff members was considered, although the development issues of junior staff members were somewhat neglected. Junior participants rated the cultural components in this sub-section at 63 percent (see Table 4.14 for the total score of statements). This score is 19 percent lower than the score given by junior staff members in sub-section A. Sixty-three percent is an average rating. Additional interaction and support from management may improve the level of satisfaction of employees.

Senior participants (70%) are more satisfied than junior participants (63%) in sub-section B with the level of support that management members provide to employees in the form of job-satisfaction and career development. Management may feel that senior staff members are capable of fulfilling their own needs, since senior staff members are more experienced. Then again, senior staff members may expect management to consider their needs, given the senior employees' level of participation in work activities. Management, nevertheless, makes the professional

development of senior staff members a priority. The combined score of employees in sub-section B is averaged at 67 percent (see Table 4.14 for the total score of statements). A rating of 67 percent is reasonably satisfying, though this rating is almost ten percent below the score of the employees in sub-section A.

Summary

Management members in sub-section A explained that they discussed the career objectives of employees through regular informal one-on-one discussions. Management member “I” had an annual formal discussion with staff members while the remaining seven management members had regular informal face-to-face discussions with staff members. Management participants denoted that developing staff members benefits both the employee and the firm. Junior participants (82%) rated the cultural elements in this sub-section higher than the rating (67%) given by senior staff members in sub-section A. The junior participants in sub-section A also scored the cultural elements in this sub-section higher than the junior staff members in sub-section B.

The senior participants in sub-section A provided a lower rating than the senior staff members in sub-section B. The combined score (76%) of employees in sub-section A was highest out of the two groups of firms in this sub-section. This indicates that staff members are more satisfied with the cultural elements in sub-section A, because management members take a greater interest in the job satisfaction and professional development of employees. Taking an interest in the careers of employees indicates that management members are proactive in the development of employees. Being proactive may have a positive influence on other learning mechanisms in a supportive learning culture. Managers must endeavour to capture the minds and hearts of intellectual people in the workplace, and not just the technical abilities of employees (Bartlett & Ghoshal, 2002:41).

The three management members in sub-section B took an indirect interest in the career objectives of employees by creating an environment where employees could learn and develop. The junior participants (63%) rated the cultural elements in sub-section B lower than the senior participants (70%) in sub-section B and lower than the junior participants in sub-section A. The average combined rating (67%) of employees in sub-section B is rated lower than the ratings of employees in sub-section A. The weaker scores in sub-section B may be attributed to the lack of management support. The lack of interest by management for employees in sub-

section B can negatively influence the confidence of employees and can hinder the supportive learning mechanisms in the culture. Factors like an employee's confidence, commitment, determination, enthusiasm, and motivation separate exceptional firms from ordinary firms (Maister, 1993:207).

4.3.4 What is your (management's) opinion on staff members providing suggestions for work activities or procedures?

The data for the fourth interview question is divided into three sections. The sections include management members that have conditions for staff members to provide input, management members that welcome input from staff members and management members that encourage staff members to provide input.

Sub-section A: Management members that have conditions for staff members that want to provide input

Management participant "C" asserted that certain factors had to be considered by the employee if the employee wanted to provide input. Management participant "C" did not mind employees' providing suggestions as long as employees could substantiate their suggestions. Management member "C" explained that they would evaluate the recommendation if an employee had a suggestion or recommendation for an activity, for example, if a staff member suggested that a process would be better done one particular way rather than another way. Management member "C" added that changes could be made, but changing a particular method depended on the strength of the employee's argument.

Management member "C" affirmed that if employees wanted to provide suggestions for activities or procedures, then employees needed a strong argument. Management's decision to make changes to cultural elements is based on the strength of an employee's argument. Ivancevich et al. (2008:19) and George and Jones (2008:500) affirm that with a consultative style, staff members are allowed to provide input, but management has the final decision. Validation is an important factor, but management in company "C" places too much emphasis on it. Validation may become an obstacle, which may ultimately prevent staff members from providing input. This may hinder interaction and collaboration between employees and management. A restriction on staff members' wanting to provide input may also deny staff members an opportunity to learn from the feedback of management. Providing input helps employees satisfy their need for belonging. The ability to

provide input at work also instils a sense of empowerment in staff members, since the input can influence valuable decision making, as pointed out by Ivancevich et al. (2008:19). The ability to provide input is essential for a supportive environment.

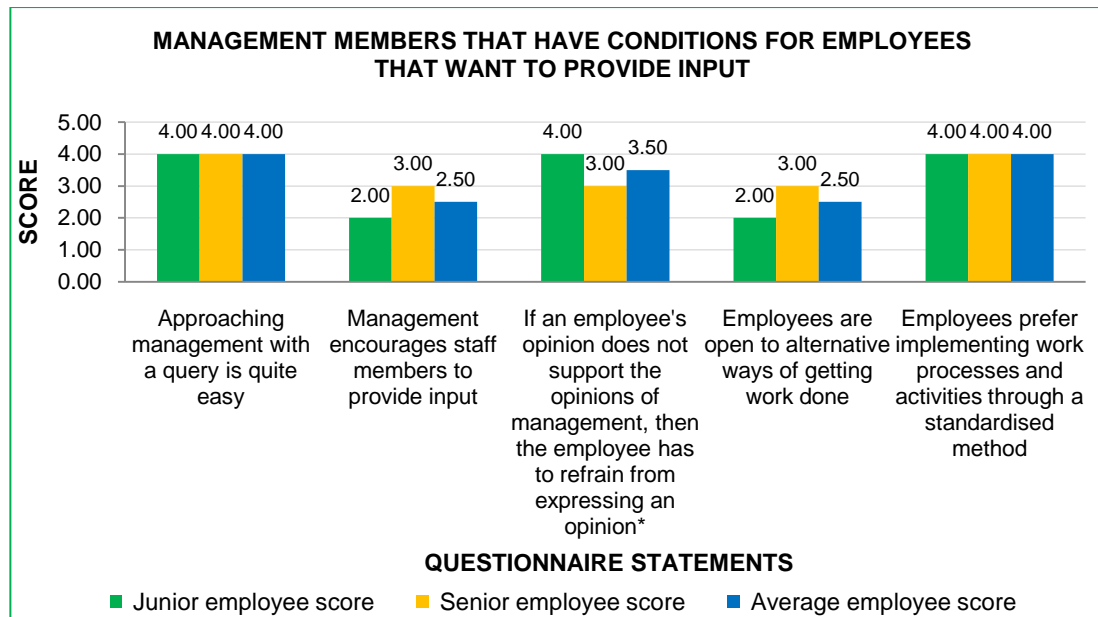


Figure 4.8: Management that has conditions for employees providing input

Table 4.15: Combined scores of the statements from employees for Figure 4.8

Reference: Company C		
Participant(s)	Total score for statements	Rating (%)
Junior	14 out of 25	56
Senior	17 out of 25	68
Junior & Senior (average)	15.50 out of 25	62

As seen in Figure 4.8, junior participants' sub-section A indicated that approaching management with a query was relatively easy, but management seldom encouraged input from members. Junior participants pointed out that one normally had to keep one's opinions to oneself if the opinions did not support those of management members. Even though one could easily approach management for advice, management preferred not to receive input from junior staff members. From a junior member's perspective, input in the firm tends to be provided by management only. According to Garvin et al. (2008:111), in a supportive environment employees should not be afraid to disagree with the input of management or senior employees, particularly if learning is the outcome of the situation. Staff members need to be comfortable enough to critique and express ideas to one another.

Junior participants also signified that activities and procedures were standardised. Approaching work activities from a personal perspective is often very difficult because of standardisation. This rigid work structure and lack of freedom in the

workplace, with regard to activities, can stifle a junior member's development. Organisations that support learning encourage employees to discover and modify aspects of the environment so that the elements satisfy the needs of staff members (Senge, 1990:4; 13-14). This seems to be especially important if management wants to establish or maintain a supportive work environment. Junior participants rated the cultural elements in this sub-section at 56 percent (see Table 4.15 for the total score of statements), which suggests that junior staff members are barely satisfied with the level of participation in the firm, in addition to being unable to approach work from a personal perspective. The average overall feedback from junior staff members for this sub-section may negatively influence a junior member's ability to participate in meetings and discussions that involve management members, given the circumstances around providing input.

Senior participants in sub-section A, like the junior participants in sub-section A, indicated that approaching management with a query was quite easy and that management sometimes encouraged employees to provide input. Senior participants were sometimes prevented from hazarding an opinion when the opinion did not support the opinions of management. Employees should not be afraid to disagree with the input of management if a supportive environment is to succeed (Garvin et al., 2008:111). Senior participants receive more support from management with the cultural elements in this sub-section than junior staff members do. Senior staff members also find that on occasion work can be completed by using one's own initiative, but work is mostly implemented through a standardised procedure. Senior participants in sub-section A rated the cultural elements in this sub-section at 68 percent (see Table 4.15 for the total score of statements), which is, to an extent, still satisfying.

Management provides senior staff members with more support where providing input and approaching work activities are concerned. This may be so because management is liable to place greater value on the input of senior staff members than the input of junior staff members. As a result, senior staff members may be more comfortable with providing suggestions than junior staff members. Senior staff members also have more freedom to experiment when compared with junior staff members. This bias towards senior staff members may be attributed to the senior members' influence in the practice. The lack of support is rather discouraging for junior staff members in this particular environment. The combined score of employees for sub-section A is rated at 62 percent, which indicates that the ability to

contribute orally in the work environment is minimal. The inability to participate in company C militates against an important aspect of a supportive learning culture.

Sub-section B: Management members that welcome the input of staff members

Five of the eleven management members (management members in companies D, E, G, J and K) welcomed the opinions and input of employees. Management members declared that input from employees was appreciated because input develops the firm and allows the firm to progress. Management added that by providing suggestions, employees demonstrated that they were not simply accepting circumstances within the firm, since there could be better ways to perform activities. Three management members (management members D, E and G) acknowledged that even if a suggestion from an employee did not improve the activity or procedure, the suggestion still provoked a discussion in the office. Management members explained that the discussion allowed employees to learn. Management member “K” added that there were instances when management was not up to date with certain aspects of a project, and on many occasions the employee (the person providing input) on site could be better informed. Management member “E” asserted that if staff members had suggestions, they should be willing to approach management to discuss the issue.

The management members (management members D, E, G, J and K) in this sub-section declared that input was appreciated in the firm because suggestions develop the organisation and allow the organisation to progress. When comparing the remarks of management members in sub-section B with the remarks of management member “C”, the management members in sub-section B viewed suggestions as a positive characteristic. This constructive point of view by management members in sub-section B may enable employees to contribute to activities, which is not easily accomplished in company “C”. As previously stated, being able to voice one’s concerns and opinions enables employees to fulfil the need for belonging in the practice, as opposed to just fulfilling what is required of staff members. Management members in sub-section B also viewed the input of staff members as an opportunity for the firm to develop employees and possibly improve work activities and procedures. Garvin et al. (2008:111) contends that management’s acceptance of alternative views from employees increases an employee’s motivation to learn.

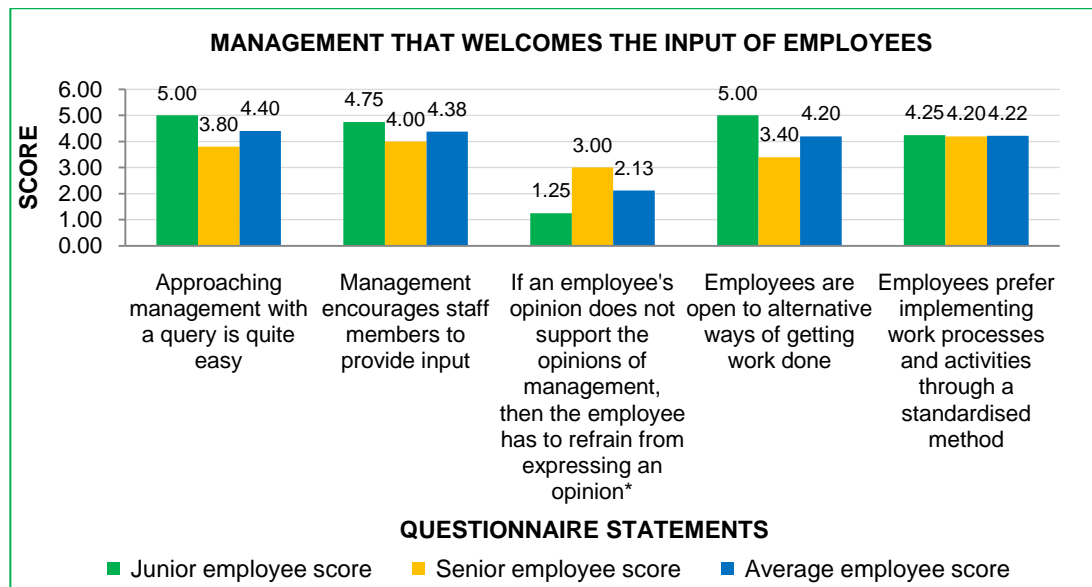


Figure 4.9: Management that welcomes the input of employees

Table 4.16: Combined scores of the statements from employees for Figure 4.9

Reference: Company D, E, G, J and K		
Participant(s)	Total score for statements	Rating (%)
Junior	23.75 out of 25	95
Senior	18.40 out of 25	75
Junior & Senior (average)	21.08 out of 25	84

As illustrated in Figure 4.9, junior participants in sub-section B found that approaching management with work-related matters was relatively easy. Junior staff members indicated that management always encouraged input from staff members, even if the suggestions from employees did not support the views of management. The ease of access and support by management provides junior staff members with the freedom to participate in discussions, which is vital for the development and confidence of junior staff members. Herzberg (1987) acknowledges that opportunities for an employee to develop and grow could lead to employee satisfaction.

Schermerhorn et al. (2008:11) declare that encouragement is an important element within a constructive culture. Junior participants indicated that staff members were always able to implement work activities using alternative methods, but work activities were mostly implemented through structured methods. Even though the objectives of the tasks were standardised, staff members could still approach the activities from their own perspective. The freedom to explore one's abilities is important within a work environment, especially for junior staff members. Exploring enables junior staff members to assess their strengths and weaknesses. Junior participants rated the cultural components in sub-section B at 95 percent (see Table

4.16 for the total score of statements), which signifies that junior staff members are satisfied for most of the time in the workplace.

Senior participants in sub-section B found that it was often easy to approach management with work-related issues or concerns. Management frequently encouraged employees to provide input, but sometimes an employee had to refrain from venturing an opinion if the opinion did not support the opinions of management. Senior participants received less support from management when compared with the feedback provided by junior staff members, especially where providing input was concerned. According to Garvin et al. (2008:111), in a supportive environment employees should not be afraid to disagree with the input of management or senior employees, particularly if learning is the outcome of the situation. Management in this sub-section (sub-section B) values communication with employees. Matzdorf et al. (2000:107) asserts that communication is an essential component of organisational development and employee development.

Management members in this sub-section (sub-section B) are more accommodating to junior staff members and thus provide junior staff members with more flexibility. Senior participants stated that alternative work methods could be used occasionally to complete work activities, although standardised procedures were normally used to complete work activities. Senior participants rated the cultural elements in sub-section B at 75 percent (see Table 4.16 for the total score of statements), which is noticeably less than the rating given by junior participants for this sub-section. The combined score of employees in sub-section B is rated at 84 percent, which implies that staff members are, to some extent, satisfied in sub-section B. The combined score in sub-section B is 22 percent higher than the rating given by individuals in sub-section A, indicating that employees in sub-section B are at an advantage where providing input and using alternative work methods are concerned.

Sub-section C: Management members that encourage staff members to make suggestions

Five of the eleven management members (management members in companies A, B, F, H and I) encouraged staff members to make suggestions and to provide input. Management members noted that there was always room for improvement in the company. Management contended that just because one method had worked in the past did not mean that the same method was still the most effective method today. Management member “H” added that staff members could make suggestions, which

would be discussed in the open-plan office. Management member “H” stated that the suggestion would be analysed in the discussion. Management member “H” explained that the discussion allowed staff members to interact and discover the reasons why the suggestion might or might not work. If the suggestion were credible, management might revise the process or activity or enable that particular staff member to utilise the suggested method. Management member “H” stressed that just because a process worked for one person, the process might not necessarily work for every other employee. Management member “I” expressed that providing input on activities and projects was a rule within the organisation, because providing input forms part of the firm’s quality management system.

The remaining five management members (management members A, B, F, H and I) encouraged employees to provide input. Management has a positive attitude towards staff members providing input and expresses this orally. Encouragement from management reduces a staff member’s fear of contributing in the firm. Encouragement thus allows employees to be more involved in day-to-day activities. According to Schermerhorn et al. (2008:11), encouragement from members is an essential component of a constructive culture. Schermerhorn et al. (2008:11) affirm that constructive cultures focus on collaboration and support within the firm, so that the needs of both the individual and the organisation can be achieved. Management in the previously mentioned five firms have a productive standpoint on staff members’ providing input. Management’s standpoint is important for an employee’s development, given that a staff member’s willingness to interact may allow staff members to participate in all aspects of the work environment.

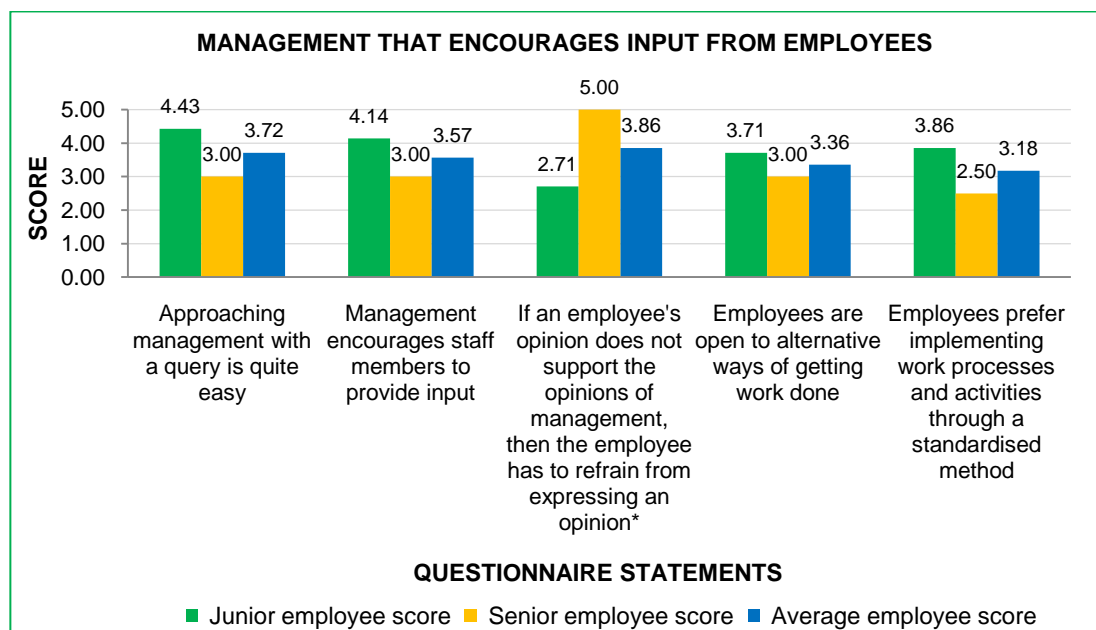


Figure 4.10: Management that encourages input from employees

Table 4.17: Combined scores of the statements from employees for Figure 4.10

Reference: Company A, B, F, H and I		
Participant(s)	Total score for statements	Rating (%)
Junior	19.43 out of 25	78
Senior	13.50 out of 25	54
Junior & Senior (average)	16.45 out of 25	66

As shown in Figure 4.10, junior participants in sub-section C found that it was often easy to approach management with concerns. Senior staff members in the previous two cases (sub-section A and sub-section B) had more difficulty in approaching management with issues than junior staff members. Management in this sub-section (sub-section C) often encouraged employees to provide input, but sometimes junior staff members needed to refrain from expressing an opinion if the opinion did not support the views of management. Junior participants in sub-section C received less support from management when compared with the feedback of junior employees in sub-section B (the firm where management only welcomed the input from employees). Junior participants in sub-section C found that co-workers in the firm were often open to alternative work techniques. Work activities tended to be standardised, but many employees had the freedom to approach the activities from their own perspective. Junior participants rated the cultural elements in sub-section C at 78 percent (see Table 4.17 for the total score of statements). This percentage suggests that junior staff members are somewhat satisfied with access to management and satisfied with the interaction between management and other co-workers in the firm. Support from management is vital, given that support from management influences an individual's decision to remain with the practice (Taylor, 2003:36).

Senior participants in sub-section C found that management could only be approached for work related issues occasionally. Of the three cases (sub-section A, B and C), senior staff members found that management members in sub-section C were the least supportive in terms of access. Senior employees specified that management sometimes encouraged senior staff members to provide input, but like junior staff members, the senior staff members had to refrain from providing opinions if the opinions did not support the opinions of management. Employees within a firm should not be scared to disagree with colleagues and senior staff members if learning is the result of the process (Garvin et al., 2008:111).

Even though staff members in sub-section C were sometimes encouraged to provide input, employees could only provide input if they agreed with the opinions of

management or if employees provided an opinion before management did. This restriction is unconstructive to senior staff members and may hinder certain aspects of an employee's development. For example, the individual's confidence and ability to contribute in discussions in the presence of management may be affected. This restriction can also negatively affect an employee's self-esteem and sense of belonging, which are essential needs in Maslow's Hierarchy of Needs (1970). Senior participants indicated that co-workers were sometimes open to alternative methods of working, but procedures were usually implemented through a structured format. Senior participants in the previous two cases (sub-section A and sub-section B of interview question 4) found the work environment to be somewhat limited where using alternative methods to complete work activities was concerned.

Similarly, senior employees in sub-section C also found that work activities were fairly standardised, owing to established guidelines. The methods used to execute the task could be modified at times to suit the style of employees. Senior participants rated the cultural elements in sub-section C at 54 percent (see Table 4.17 for the total score of statements), which is just about acceptable from a senior employee's perspective. The combined score from employees for sub-section C of 66 percent is reasonable, but not ideal if management wants to maintain a supportive learning environment.

Summary

When considering the three scenarios in this sub-section (sub-sections A, B and C), the response of management from sub-section A focuses on one factor, namely, the validation of the suggestion. Validation, coupled with the fact that management still has to approve the suggestions of employees, indicates that management is only seldom supportive of the input of employees. Staff members in sub-section A may be somewhat reluctant to provide input of their own accord. Junior employees in sub-section A rated the cultural elements for this segment the lowest (56%) out of the three groups of firms in this sub-section. According to the indications of junior participants, factors like management's support of staff members' providing input, the ability to provide an opinion and being able to use alternative procedures at work, are viewed as the negative aspects of sub-section A.

The rating given by senior participants (68%) in sub-section A is the second highest out of the three sub-sections (sub-sections A, B and C). The ability to approach management and access management for concerns are the positive elements of

sub-section A. From a combined employee perspective, sub-section A has the lowest rating (62%). The amount of encouragement (for employees to provide suggestions) that management member “C” provides to employees and an employee’s willingness to use alternative work methods both receive tolerable combined scores. The level of encouragement from management and an employee’s willingness to approach work from the employee’s own perspective are a concern for employees in sub-section A. The level of support that management provides staff members with and a flexible approach to solving work problems constitute managerial factors, which affect an employee’s decision to remain with the practice (Taylor, 2003:36). The positive characteristics of sub-section A that can be associated with a supportive learning culture is that staff members have access to management for work-related matters. The constraints surrounding staff members wanting to provide input hinder professional quantity surveying firms that want to develop the knowledge and skills of employees. Providing input is a necessity for employees because the freedom to provide input is a fundamental component of a supportive learning culture (Garvin et al., 2008:111).

The group of management members in sub-section B (management that welcomes suggestions from staff members) focuses on three aspects, namely, suggestions can develop the staff members in the firm, suggestions can improve the services of the practice, and suggestions can challenge the reliability of established procedures. Employees in sub-section B initially risk making suggestions, since employees do not know whether management will appreciate their suggestions. Once staff members have gained approval from management or are welcome to make suggestions, staff members can provide input without hesitation. This constructive attitude towards an employee who wants to provide input effectively lowers the risk for staff members that want to contribute orally.

Junior participants found the cultural elements for sub-section B the most satisfying (95%) of the three groups of firms. Factors, including the ability to access management for work-related issues, the ability to furnish opinions, and co-workers’ willingness to accept alternative methods of working, are the positive elements of the five firms in sub-section B, according to junior participants. Senior staff members in sub-section B rated the cultural elements in this sub-section at 75 percent, which is also the highest rating for senior employees out of the three groups of firms in this sub-section (interview question 4). The ability to voice one’s opinions is only given an acceptable rating by employees in sub-section B. From a combined employee perspective, the cultural elements for sub-section B have the highest rating (84%) of

the three groups of firms for this sub-section, even though management indicated that they do not explicitly encourage input from employees. Employees in sub-section B are satisfied with access to management and the level of encouragement that management provides employees with, which is conducive to a supportive learning culture.

The response of management members in sub-section C (management that encourages employees to provide input) focused on one factor, namely, suggestions can improve work activities. This is a somewhat limited perspective from management, since there are other positive factors that can result from employees' providing input. Management explicitly informs staff members to provide input, which is better than welcoming the input of staff members, since staff members are free to provide to give a suggestion. Junior staff members in sub-section C rated (78%) the cultural elements the second highest out of the three groups of firms in this sub-section. Senior staff members, on the other hand, rated the cultural elements in sub-section C at 54 percent, which is the lowest out of the three groups (sub-sections A, B and C) of firms in this sub-section. The inability to provide opinions is the most discouraging factor within the work environments of sub-section C, according to senior participants. Factors like ease of access to management, encouragement from management, and the ability of employees to use alternative work techniques, are given intermediate ratings.

From a combined employee perspective, the rating (66%) of the cultural elements in sub-section C was the second highest rating of the three groups of firms in this sub-section. Even though management encourages input from staff members in sub-section C, the combined rating is nearly 20 percent lower than the combined rating in sub-section B (the work environment where management members only welcome the input of staff members). The combined rating of employees in sub-section C is 4 percent higher than the combined rating of employees for subsection A. The combined rating of employees for sub-section C is closer to the combined rating of employees in sub-section A. This suggests that the cultural elements in sub-section C are not as supportive as management members have implied. The rather limited perspective of management on an employee's input in sub-section C, coupled with the average ratings given by employees for access to management, the amount of encouragement from management, and flexibility with work activities, is not enough to maintain a supportive learning culture.

4.3.5 Do you (the manager) show appreciation for the efforts that staff members exert on activities? (If appreciation is shown, explain how? If no appreciation is provided, explain why not?)

All eleven management members showed appreciation for the efforts that employees exerted on activities. Management members added that employees were given recognition verbally and face-to-face, as well as in staff meetings, to make other employees aware of the staff members' accomplishments. Management affirmed that acknowledging the efforts of an employee also drove other staff members to perform better. According to management participant "D", showing appreciation is very important. People often undervalue the importance of a simple "thank you". Showing appreciation is a very important part of a person's development because appreciation builds an employee's confidence. Management member "D" concluded that showing appreciation also influenced the person to work harder. Eight of the management members (management members C, D, E, F, H, I, J and K) also rewarded employees financially, which could be in the form of a bonus at the end of the month or year.

All eleven management members asserted that showing appreciation was done on a face-to-face basis and in staff meetings, so that other staff members could acknowledge the person's efforts in the practice. In all the firms, management explicitly expresses appreciation to employees, which is important as appreciation builds an employee's self-confidence. Employees require appreciation because being recognised for one's accomplishments and being valued boosts self-esteem. Recognition is an important motivator (Herzberg, 1987), and building self-esteem is a vital human need, according to Maslow (1970). Acknowledgement makes a staff member feel proud of his or her performance, and, in turn, the staff member will be encouraged to perform better to maintain this strong work ethic.

Appreciation from management may lead to management's respecting the employee, a factor that many individuals aspire to achieve in the workplace. Showing appreciation also informs the staff member that management is conscious of the work done by the staff member. Appreciation from fellow colleagues is important, but appreciation from management is more valuable because the appreciation is acknowledged from the highest-ranked executive in the firm. Indirectly, other employees in the firm may discover that a poor or average performance may not bring them accolades from management. Additionally, most management members in the study reward staff members financially for exerting

additional effort. Appreciation from management, a sense of achievement, and financial rewards are incentives that may encourage employees to achieve employees' personal and professional needs in the office. The incentives may also act as a motivator to other staff members that want to apply extra effort. A sense of achievement and self-actualisation forms part of a constructive culture, as noted by Schermerhorn et al. (2008:11).

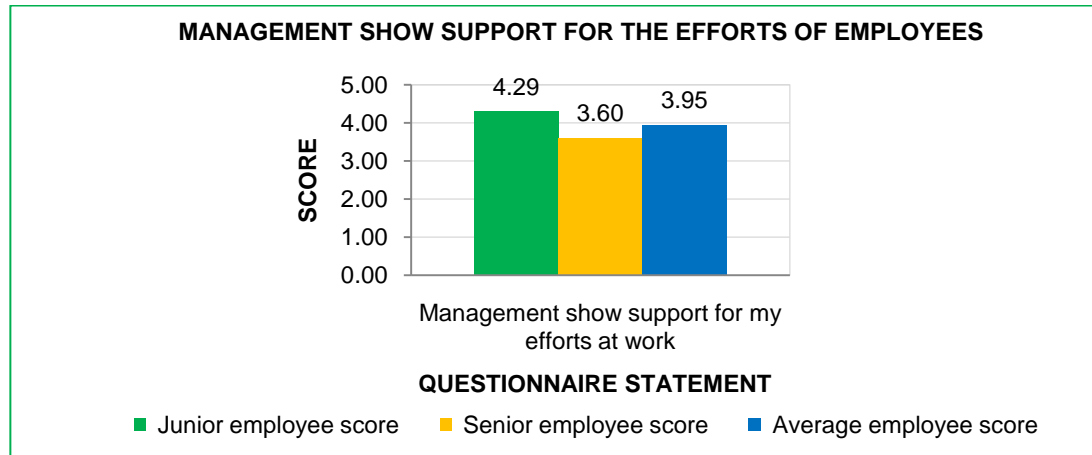


Figure 4.11: Management members show support for the efforts of employees

Table 4.18: Combined scores of the statements from employees for Figure 4.11

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	4.29 out of 5	86
Senior	3.60 out of 5	72
Junior & Senior (average)	3.95 out of 5	79

As illustrated in Figure 4.11, employees in the eleven practices signified that management often showed appreciation for the efforts that employees exerted on activities. A learning environment, coupled with support from management, will allow employees to maintain a positive learning attitude (Srivastava & Frankwick, 2011:161). Support from management is important for a constructive culture and vital for the development of employees. Junior participants in the eleven firms rated the cultural element in this sub-section at 86 percent (see Table 4.18 for the total score of statements), which indicates that junior staff members are moderately satisfied with management's support for the efforts of employees. Senior employees in the eleven firms rated the support from management at 72 percent, which signifies that senior staff members are satisfied with the appreciation that management provides. Junior staff members receive more support from management members than senior staff members do, which appears to be a recurring finding in the organisational culture section of the study.

4.3.6 What is your (the manager's) opinion on teamwork within the firm?

All eleven participants declared that teamwork was very important. According to the eleven participants, teamwork was absolutely critical within the quantity surveying environment and vital for the continued success of the firm. On numerous occasions, employees formed a team for a project and broke up larger tasks into manageable portions. Through teamwork, every team member concentrated on a specific task and at the end of the day team members combined the tasks to complete the larger activity. Collectively the team completed the task. Management members concluded that teamwork allowed the firm to meet deadlines. Management member "G" contended that staff members could not work with somebody that was unable to communicate with others and incapable of working in a team structure, even if the person was highly intelligent.

All management members stressed that teamwork was important for the success of the firm because large activities can be divided into manageable portions and, as a result, more work can be accomplished through collaboration. Teamwork is essential since collaborative alliances amplify the importance of the task beyond the importance of an employee's status in the workplace. The urgency factor that accompanies collaboration can break down workplace barriers for completing the main objective of the project. According to Friedman (2001:399), individuals need to work in teams to convert tacit knowledge to explicit knowledge, which can lead to the creation of knowledge at an organisational level. Various knowledge resources can be utilised when individuals are encouraged to share personal experiences within a team. Teamwork allows junior staff members to work with experienced senior staff members. Senior staff members distribute tasks to junior staff members, but still evaluate the quality of the junior staff members' work and provide junior staff members with regular constructive feedback. Teamwork, ultimately, strengthens the bond between employees and enhances the learning relationships between employees in the workplace. Indeed, teamwork enables employees to learn and share knowledge with one another. According to Garvin (1993:81-87), learning from employees at work is a significant tool for organisations in support of learning. Transferring knowledge and sharing ideas allow ideas to be amplified.

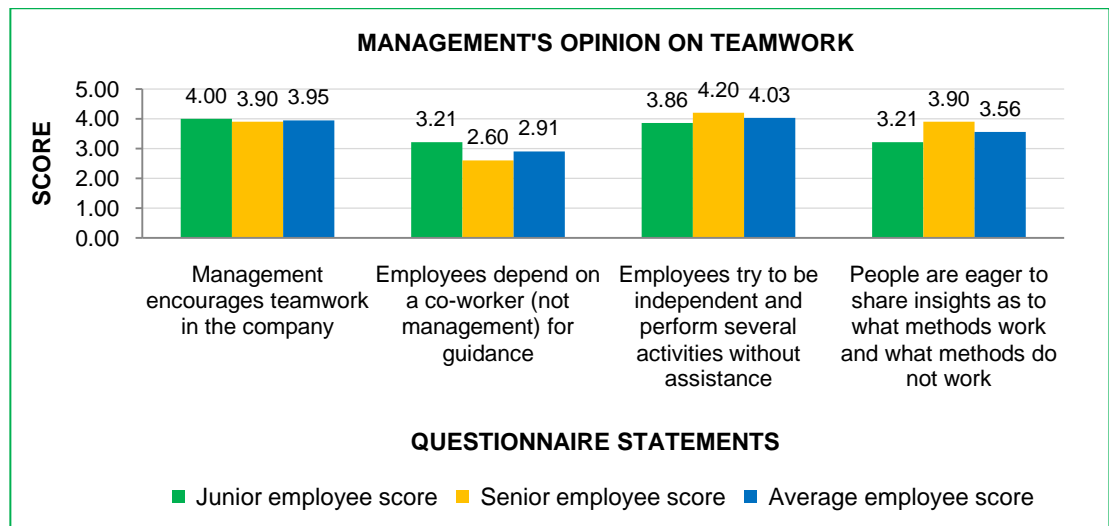


Figure 4.12: Management's thoughts on teamwork in the firm

Table 4.19: Combined scores of the statements from employees for Figure 4.12

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	14.28 out of 20	71
Senior	14.60 out of 20	73
Junior & Senior (average)	14.44 out of 20	72

As shown in Figure 4.12, junior participants in the study indicated that management often encouraged teamwork, which confirms management's remarks. Activities were often time consuming and teamwork facilitated the completion of the task. Junior participants sometimes depended on a colleague for guidance, although participants mostly performed activities independently. Junior staff members required guidance for work activities until they were confident enough to complete activities without assistance, which is important, because this is how staff members acquire experience. Junior participants also indicated that co-workers sometimes shared insights about work procedures. Because of this, junior participants occasionally explored work procedures through trial and error to discover which processes were the most effective.

Working independently does not enhance learning relationships between staff members. The positive aspect of independent exploration is that employees are able to find solutions and overcome challenges in the workplace, which improves individual character. The negative aspect of this is that situational learning may occur. According to Kim (1993:46), situational learning occurs when a person resolves a problem by improvising and once the problem is solved, the person continues onto the following task. The problem with improvisation is that the method used to solve the problem is not recorded and codified for future use. The connection between learning and making mental models is lost. Kim (1993:46)

asserts that the learning that occurs becomes situational and can only serve the person for a short period. Teamwork activities, therefore, improve collaboration and provide junior staff members with practical learning experiences, given that problems are examined and solved with the assistance of experienced staff members. Junior staff members in the eleven firms rated the cultural elements for this section at 71 percent (see Table 4.19 for the total score of statements), which signifies that there is a reasonable amount of teamwork and independence within the eleven work environments.

Senior participants in the study, like junior participants, also illustrated that management often encouraged teamwork in the practice. Senior staff members rarely required assistance from co-workers, since senior staff members were capable of doing many activities independently. Senior participants may have enough experience to complete activities unassisted, but when senior staff members complete activities independently, junior participants lose a learning opportunity. Senior participants specified that employees often shared insights about work procedures. Senior staff members were more optimistic than junior staff members where feedback for sharing experiences was concerned. This may be partially because senior participants are the individuals that share most of the experiences within the firm when compared with junior participants. Senior participants in the eleven firms rated the cultural elements in this sub-section at 73 percent (see Table 4.19 for the total score of statements), which is higher than the ratings given by junior staff members. The ratings of senior staff members are, ultimately, consistent with the ratings of junior staff members. The relatively acceptable and consistent ratings from employees are vital if management wants to maintain a supportive organisational culture.

4.4 Section B – Learning and the development of knowledge analysis

The learning and development of knowledge section comprises six interview questions. The six interview questions are accompanied by feedback from the research questionnaires, which contain statements that are linked to the interview question. Consequently, management provides feedback from a manager's perspective while staff members provide feedback from a staff member's perspective.

4.4.1 Do you (the manager) have discussions with staff members about their development and performance? (If so, how do discussions occur? If not, why?)

The data for the first interview question of the learning and the development of knowledge segment is divided into two sections. The sections include management that discusses development and performance matters with staff members, and management that does not discuss development and performance issues with staff members.

Sub-section A: Management members that discuss development and performance issues with staff members

Nine of the eleven management members (management members in companies A, B, C, D, F, H, I, J and K) discuss professional development and performance issues with employees. Eight of the nine management members (management members A, B, C, F, H, I, J and K) have formal one-on-one development and performance appraisals with employees once a year. The remaining management participant (management member D) has discussions with employees, but only on an informal basis. Management member “D”, on the other hand, is the only principal in the company and does not have sufficient time to perform certain functions, especially on a formal basis. The nine management members (management members A, B, C, D, F, H, I, J and K) agree that evaluations are important for ensuring that employees are on the right track in terms of professional development. Management member “C” added that if there were an immediate development problem with a staff member, then management would perform additional evaluations. The additional evaluations would be done to get the staff member back on track with the objectives that both the employee and employer had set. Management member “B” explained that the company uses a standard checklist for tracking a staff member’s progress year-on-year so that management can see what training requirements are needed within the firm. Management member “B” conceded that development and performance appraisals should happen regularly or at least twice a year.

All management members indicated that development and performance appraisals were important for ensuring that staff members developed appropriately. Management shows an interest in the careers of employees when management discusses development and performance matters with employees. Management also fulfils a staff member's need for belonging and affiliation, which is a significant

need as indicated by Maslow (1970), and an important motivating factor as illustrated by Herzberg (1987). By taking an interest in the professional development of employees, management members reassure employees that the chosen career goals can be achieved. Management can have a positive influence on an employee's behaviour when management considers the needs and goals of employees (George & Jones, 2008:188).

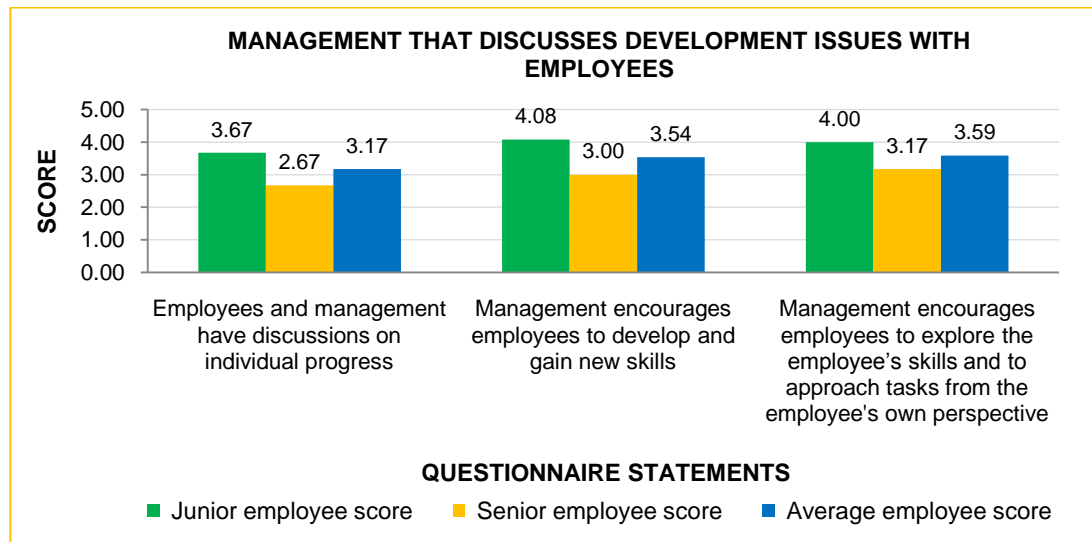


Figure 4.13: Management that discusses development issues with employees

Table 4.20: Combined scores of the statements from employees for Figure 4.13

Reference: Company A, B, C, D, F, H, I, J and K		
Participant(s)	Total score for statements	Rating (%)
Junior	11.75 out of 15	78
Senior	8.84 out of 15	59
Junior & Senior (average)	10.30 out of 15	69

As illustrated in Figure 4.13, junior participants in sub-section A signified that management often had discussions with individuals about their individual progress. Even though annual formal discussions occurred, management members were likely to have regular, short, informal conversations with junior staff members about progress since junior staff members indicated that discussions occurred often. The informal discussions are important for regular feedback and ensure that staff members are progressing in the workplace. Appropriate action by management ensures that any gaps in development are filled so that employees receive a balanced work experience. By ensuring that employees develop accordingly, management acts as a learning initiator since learning is encouraged by management (Tainio et al., 2001:428). With management's support, employees may develop new skills. Junior staff members specified that management often

encouraged them to develop and explore, and to approach tasks from the junior member's own perspective.

Senge (1990:13-14) posits that organisations that support learning encourage employees to explore and modify elements of the employees' environment, in order to satisfy the needs of employees. To ensure that junior staff members develop in the workplace, management provides regular encouragement. Encouragement from management may drive other staff members to learn and possibly seek additional work from senior employees. Seeking additional work may result in junior staff members receiving more responsibility. Searching for additional work with the aim of enhancing one's skills enables junior staff members to engage in new challenges, which is essential for accumulating knowledge. Junior participants in sub-section A rated the learning elements in this sub-section at 78 percent (see Table 4.20 for the total score of statements), which signifies that junior staff members are satisfied with this sub-section.

Senior participants in sub-section A, conversely, indicated that management sometimes discussed development and performance issues with staff members. The feedback given by senior employees is not as positive as the feedback given by junior participants. Senior staff members also require support from management to maintain a high standard of work. Senior staff members are sometimes encouraged by management to develop professionally and to approach work from an individual perspective. According to feedback, senior employees receive less encouragement from management when compared with the feedback of junior staff members. The skills of senior staff members also need to be advanced because senior staff members mentor junior participants.

Senior participants rated the learning elements in this sub-section at 59 percent (see Table 4.20 for the total score of statements), which is only slightly satisfying, but not adequate to maintain a supportive learning culture. The score of senior staff members in sub-section A is almost 20 percent lower than the score of the junior participants in the same group. The combined score of employees in sub-section A is rated at 69 percent, which the employees may find acceptable to a degree. The lack of consistent support from management is a concern for companies in this particular sub-section.

Sub-section B: Management members that do not discuss development and performance issues with staff members

The remaining two management members (management members E and G) did not discuss development and performance issues with staff members. Management participants explained that there were instances when management wanted to discuss development and performance issues with employees, but management never had an opportunity to do so. Management members indicated that they were unable to set aside a time for discussions on development and performance because they were too absorbed in the day-to-day activities of the practice. Management added that urgent issues in the practice tended to take priority over other matters. Management member “G” acknowledged that the main contributing factor to the lack of development initiatives was that the main objective of the firm is to make money.

The two management members (management members E and G) seemed to be more concerned with daily work activities than the careers of employees. The remarks from management are rather discouraging. Ivancevich et al. (2008:111; 130) notes that managers should take responsibility by monitoring the skills, objectives and needs of staff members. If management does not inform staff members that they will progress to more challenging work activities to achieve staff development targets, staff members may feel neglected where their scope of work is concerned.

Discussions on employee development provide staff members with a clear development path. Ivancevich et al. (2008:111; 130) indicate that knowledge can be acquired from colleagues when one interacts with them to understand their needs and objectives. The discussions also reinforce the support that management provides in the workplace. An opportunity for management to develop or enhance a level of trust with employees is consequently lost, and so are the contributions that staff members could make should the discussions occur.

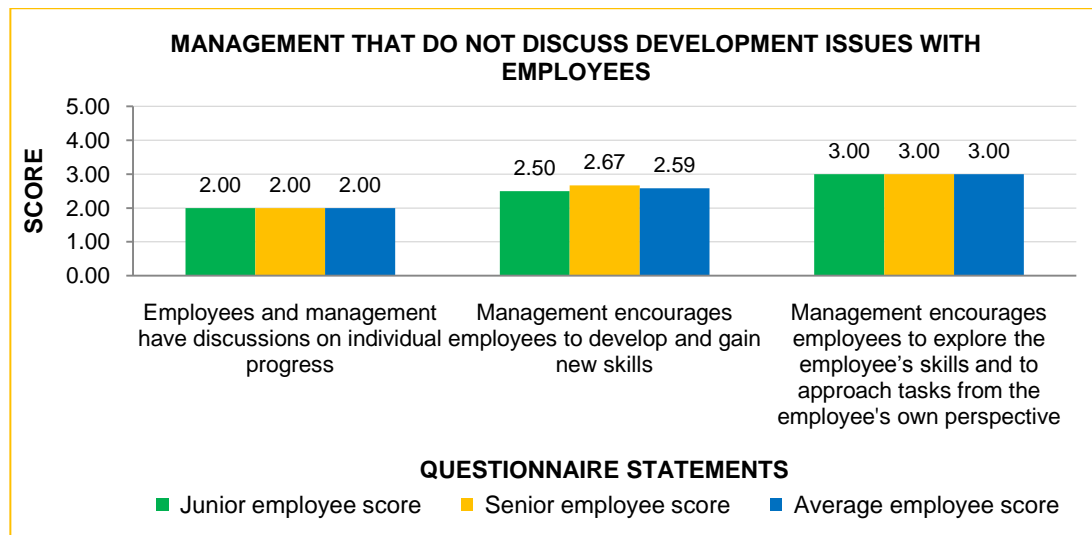


Figure 4.14: Management that do not discuss development issues with employees

Table 4.21: Combined scores of the statements from employees for Figure 4.14

Reference: Company E and G		
Participant(s)	Total score for statements	Rating (%)
Junior	7.50 out of 15	50
Senior	7.67 out of 15	51
Junior & Senior (average)	7.59 out of 15	51

As shown in Figure 4.14, junior participants in sub-section B specified that management members hardly ever discussed development and performance matters with staff members. This indication from junior staff members confirms the remarks made by management in the interview. If staff members do not approach management with this issue, then employees must trust that management is keeping a record of the junior member's development. Showing a direct interest in a staff member's development fulfils an important need for employees because a direct interest provides employees with reassurance. According to Ivancevich et al. (2008:111; 130), failure to interact with staff members can lead to a decrease in employee support. Junior staff members also indicated that management sometimes encouraged them to develop and to approach work from an individual perspective. Junior staff members need to show initiative if they are serious about developing professionally. Management cannot force junior staff members to develop professionally, but at least management can encourage junior staff members to do so. Management also allows junior staff members to approach work activities from an individual perspective. Junior participants rated the learning elements in this segment at 50 percent (see Table 4.21 for the total score of statements), which is hardly satisfying for junior staff members and far from a supportive working environment. There is a general lack of concern by management and a lack of transparency with regard to the strategic initiatives for a staff member's development, which appears to be missing in sub-section B.

As with the junior participants, senior participants in sub-section B pointed out that management seldom discussed development and performance matters with senior staff members. Senior staff members also need a clear career path so that they can be aware that there are future opportunities for them within the firm. Senior participants signified that management sometimes encouraged senior staff members to develop professionally, and occasionally encouraged senior staff members to approach work from an individual perspective. Maister (1993:207) asserts that good managers develop the abilities of individuals for the collective group to become highly skilled. Senior staff members and junior staff members in sub-section B receive average support from management. Even so, management provides staff members with enough support for employees to take the initiative to develop professionally and approach tasks from an individual perspective. Senior participants in sub-section B rated the learning elements in this segment at 51 percent (see Table 4.21 for the total score of statements), which is similar to the rating given by junior participants. The combined score of employees of 51 percent suggests that the environment in sub-section B lacks support from management. Support can, ultimately, give shape to the efforts that employees exert on activities. Sufficient support may develop trust between management and employees, as Taylor (2003:36) contends that trustworthiness and feeling valued influence people's behaviour in an organisation. Trustworthiness and feeling valued may dictate that the employee remains with the firm.

Summary

Nine management members in sub-section A had discussions with staff members about their development and performance. Eight of the nine management members (management members A, B, C, F, H, I, J and K) in sub-section A declared that a formal development and performance appraisal was completed once a year, while the remaining participant (management member D) asserted that the discussions only occurred on an informal basis. In the abovementioned nine firms, discussion occurred on a one-on-one basis with the employee and a management member. The ratings given by junior participants in sub-section A showed that junior staff members were 78 percent satisfied with the discussions on individual progress, the encouragement provided by management to develop professionally, and the encouragement given to junior staff members by management for junior staff members to approach work from an individual perspective. Junior participants (rating of 78%) are more satisfied with the support received from management than

senior staff members (rating of 59%) in sub-section A and more satisfied than junior participants (rating of 50%) in sub-section B. Senior participants (rating of 59%) in sub-section A are more satisfied with the level of support from management than the senior staff members (rating of 51%) in sub-section B. Collectively, the score (69% rating) of staff members in sub-section A is higher than the score given by employees in sub-section B. The frequency of formal discussions on employee development remains a concern in sub-section A. The lack of attention given to formal discussions on development and performance can lead management to neglect or prolong the professional development of employees. Communication is an essential component of staff member development, organisational development and strategy implementation (Matzdorf et al., 2000:107). The shortfall of interest shown by management may negatively affect the strategic role of management.

The two remaining management members in sub-section B did not discuss development and performance matters with employees. Employees pointed out that urgent issues in the firm took priority over development and performance issues. Junior participants in sub-section B are 50 percent satisfied with the level of support that management provides for discussing development and performance issues and with management's providing encouragement. Similarly, senior staff members are 51 percent satisfied with the same learning elements. Staff members in sub-section B have a lower score than the staff members in sub-section A. Factors like encouraging employees to develop professionally and discussing employee development are somewhat neglected by management in sub-section B. Management members in sub-section B do not provide employees with the necessary support for development. This lack of support by management can hinder learning mechanisms in the firm and, ultimately, prolong employee development initiatives. A lack of support from management can also influence an employee's decision to remain with the practice (Taylor, 2003:36).

4.4.2 Do you (the manager) discuss the lessons learned from ongoing and completed projects with staff members? (If yes, explain how and when? If no, explain why not?)

Every management participant discusses the lessons learned from ongoing and completed projects with staff members. Six management members (management members A, C, D, G, H and I) have discussions with employees on a formal and informal basis, while the remaining five management members (management members B, E, F, J and K) have discussions on an informal basis. Management

members have indicated that informal discussions are held frequently throughout the duration of the project between team members. Management members added that if a problem arose, management and staff members would discuss the issue with one another and learn from the problem. On the other hand, for the firms that have a formal training component, a formal closeout report is compiled at the end of the project. Management asserted that the closeout report included input from team members and highlighted the positive and negative aspects of the project. Four management members (management members A, B, C and I) stated that discussing the lessons of on-going and completed projects with employees formed part of the firm's quality assurance system. All management members acknowledged that discussing lessons with employees was a method for minimising future mistakes and improving the firm's services. Management member "D" declared that even though management only discussed lessons in an informal manner, the firm had a shared drive on the intranet, which contained guidelines for carrying out activities. Management member "D" acknowledged that every employee could access the shared drive. Management member "B" stated that one of the team members gave a short presentation to staff members in the office. Management member "B" explained that the presentation would illustrate some of the challenges and special features of the team's new project. Management member "B" added that the presentation also allowed other staff members to provide input on the project.

Six of the eleven management members (management members A, C, D, G, H and I) discussed the lessons formally and informally, while the remaining five management members (B, E, F, J and K) only discussed lessons informally. Formal initiatives take place in the form of written reports and staff meetings, while informal discussions occur around the office via conversations and by means of employees' raising concerns about project issues. The purpose of discussing and recording lessons, according to management, is to minimise future mistakes and improve the quality of the services on offer. Discussing and recording lessons from ongoing and completed projects is an informative method for employees to learn about the organisation's mistakes and successes. Discussing lessons also provides employees with an opportunity to learn about the actions that occasioned the mistakes and successes. The "cause and effect" of mistakes and successes are especially beneficial for junior staff members that do not have sufficient practical experience. When lessons are not recorded, staff members may forget the lessons, and eventually the same mistakes may be repeated in the future. According to Garvin (1993:81-87), organisations should record the lessons that were learned from failures and successes and this information should be made available to all

staff members. The availability of the information is particularly important for organisations that facilitate and support learning. Garvin (1993:81-87) explains that by learning lessons, employees can develop improved systems for completing activities. Systematic problem solving is important for learning because the actions of staff members are based on evidence, as opposed to estimation.

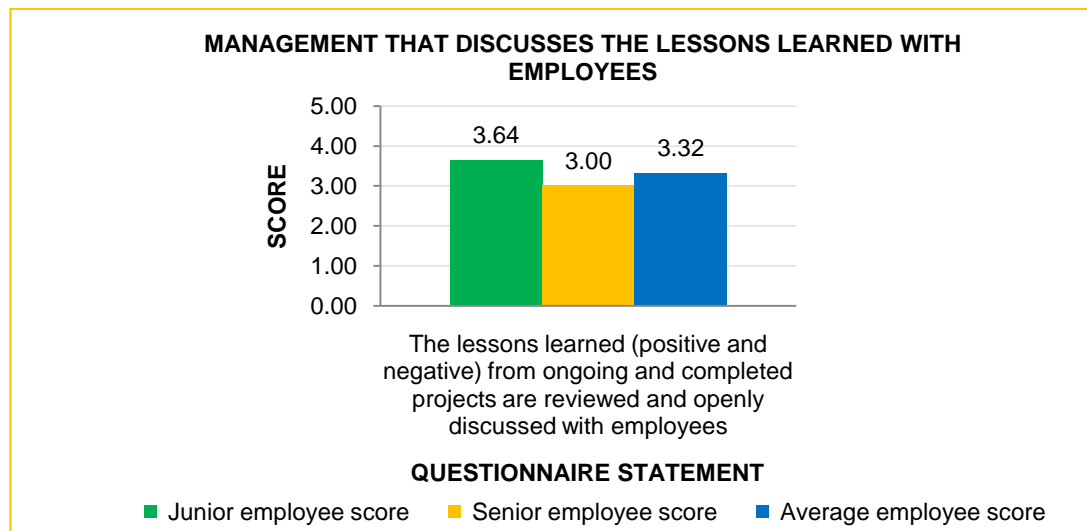


Figure 4.15: Management that discusses the lessons learned with employees

Table 4.22: Combined scores of the statements from employees for Figure 4.15

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	3.64 out of 5	73
Senior	3 out of 5	60
Junior & Senior (average)	3.37 out of 5	67

As seen in Figure 4.15, junior participants in the study specified that lessons were often reviewed and discussed openly in the office. Similarly, organisational self-appraisals form part of experiential learning, which focuses on evaluating past actions (Huber, 1991:92). Discussing lessons is an ideal opportunity for junior staff members to ask probing questions about a particular topic so that they can develop a better understanding of the problem, which is essential for acquiring knowledge. Garvin (1993:81-87) contends that ideas are amplified when knowledge is shared among people. Junior participants rated this learning element at 73 percent, which is a reasonably satisfying rating. Senior participants in the study specified that the lessons learned from projects were sometimes discussed in the office. As previously explained, discussing lessons on occasion is not adequate, since learning opportunities are lost. Senior participants rated this learning element at 60 percent, which is an average rating. This rating is lower than the rating of junior participants. The combined score of employees for this sub-section is rated at 67 percent (see Table 4.22 for the total score of statements), which signifies that at best the lessons

are discussed when there is sufficient time to discuss lessons, and at worst, an opportunity to learn is lost.

4.4.3 Do you (the manager) facilitate employees' learning within the firm? (If yes, explain what, how and when do employees learn? If not, why not?)

The data for the third interview question in the learning and the development of knowledge segment is divided into two sections. The sections include management that only facilitates on- the-job training and management that facilitates learning through multiple learning initiatives.

Sub-section A: Management that only facilitates staff members' learning with on-the-job training

Four of the eleven management members (management members in companies E, G, H and K) only facilitated employees' learning with on-the-job training. According to the management members, junior staff members work with experienced senior staff members, where senior staff members show junior staff members the techniques required to execute the task. The senior member inspects the work of the junior member at the initial stages, but once the junior member has gained sufficient experience and confidence, the junior member will complete the activity alone. Management members concluded that once the activity had been completed, the junior staff members would also be responsible for checking the activity for errors. Management member "K" asserted that employees ultimately learned by getting involved with work activities and asking questions. Management member "H" declared that if a staff member attended a CDP lecture that would benefit employees, then the staff member would reproduce the course information at the office for other employees. Management member "H" explained that CPD courses were expensive, and even if one person had attended a course, that person could still reproduce the information for the employees at the office, so that staff members could also learn something.

Four management members (management members E, G, H and K) only facilitated employees' learning with on-the-job training. On-the-job training is valuable because the information gained from observing, listening, and asking questions is tailored to match the methods and outcomes of the firm. On-the-job training allows employees to build learning relationships, which can be used repeatedly to transfer knowledge and enhance an individual's understanding. According to Garvin (1993:81-87), for

organisation-wide learning to occur, knowledge has to be shared as efficiently as possible. Garvin et al. (2008:111-12) add that this method of sharing knowledge has to be clear and organised. Factors that can hinder on-the-job training are trust, compatibility, and patience between the person providing the knowledge and the person receiving the knowledge. Trust is a critical factor that influences the sharing of knowledge between individuals (Levin et al., 2002:2; Egbu et al., 2005:13). Another factor influencing training and learning is the learning curves of staff members. The learning curves of employees may be different, since each person's levels of experience, intelligence, and maturity are different. Some employees are thus capable of comprehending activities faster than other staff members. According to Boerner et al. (2001:97), learning curves are an important component of practical learning. Learning curves can improve the experience and performance of staff members, and can enhance the organisation.

Learning through meetings and teamwork will facilitate interaction and the sharing of ideas throughout the organisation (Garvin, 1993:91). Through the interaction and probing questions of on-the-job training, staff members are, ultimately, able to integrate the data obtained from experienced members into their own knowledge base. Nonaka (1994:18-19) and Nonaka and Takeuchi (1995:67-72) refer to this process as internalisation, which is creating knowledge by converting explicit knowledge to tacit knowledge. The knowledge gained is operational knowledge. The pace by which progress is made may be somewhat slower in sub-section A when compared to sub-section B (the firms with additional learning initiatives). This may be so because employees in this sub-section (sub-section A) mainly have one method of acquiring knowledge internally.

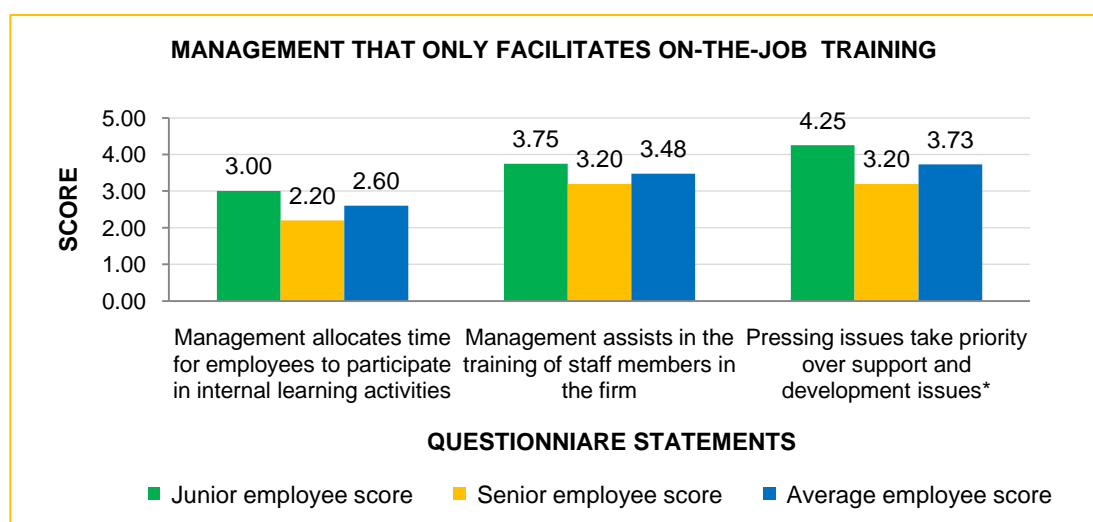


Figure 4.16: Management that only facilitates on-the-job training

Table 4.23: Combined scores of the statements from employees for Figure 4.16

Reference: Company E, G, H and K		
Participant(s)	Total score for statements	Rating (%)
Junior	8.50 out of 15	57
Senior	8.20 out of 15	55
Junior & Senior (average)	8.33 out of 15	56

As shown in Figure 4.16, junior participants in sub-section A indicated that management sometimes allocated a period for staff members to participate in internal learning activities. In this instance, completing tasks is a priority since learning and completing tasks are done simultaneously. Management members in sub-section A sometimes assisted with mentoring employees. Junior staff members assisted senior staff members in most cases, but management also mentored junior staff members. Junior staff members benefit from two sources of knowledge, which allow them to experience a better mentoring experience. Junior participants signified that pressing issues often took priority over support and development issues. Maister (1993:208) and Hamel and Prahalad (1994:123) state that urgent issues within firms regularly take priority over organisational development issues. Completing tasks to meet project deadlines is important, but deadlines can accelerate learning and the processes that is used to complete activities. Garvin et al. (2008:111) assert that time is a critical factor for supportive learning organisations, because an allowance of time enables employees to review actions and extract lessons from work activities. Accelerating working activities thus weakens the learning process to a degree by causing junior staff members to build weak mental models. The weak mental models have to be reinforced by repeating the same activity multiple times. Junior participants rated the learning elements in sub-section A at 57 percent (see Table 4.23 for the total score of statements), which is hardly satisfying and only slightly higher than the rating given by senior staff members in the same group.

Senior participants in sub-section A contended that management members seldom allocated time for staff members to participate in internal learning activities. This suggests that completing activities is the main priority of management, and not learning and development initiatives. Tainio et al. (2001:428) affirm that management can significantly encourage or discourage learning. Learning can only occur if management allocates time and gives staff members the opportunity to learn (Garvin, 1993:91). Senior participants also pointed out that management sometimes assisted with the mentoring of staff members. Senior staff members gave management a lower score than junior staff members. Assisting and interacting with employees is important because, in most cases, management is the

most experienced of the staff members in the office. Senior staff members found that pressing issues often took priority over support and development issues. This is a universal criticism from all participants. The senior participants in sub-section A rated management more supportive than the senior participants in sub-section B (firms that have additional training initiatives). The combined score of employees in sub-section A is rated at 56 percent (see Table 4.23 for the total score of statements), which is barely acceptable for employees and not sufficient if management wants to maintain a supportive learning environment.

Sub-section B: Management that facilitates staff members' learning through multiple initiatives

Seven of the eleven management members (management members A, B, C, D, F, I and J) enabled staff members to learn through on-the-job training and through additional in-house training and discussion sessions. The management participants asserted that they had regular informal discussions with employees. According to management members, discussions occur in the form of one-on-one sessions where employees are individually mentored. If a staff member is uncertain about a particular activity or procedure, then the manager will mentor that individual and explain how to perform that activity or procedure. The employee receives mentoring until the employee understands the work. Management members indicated that mentoring was done so that the staff member could progress and continue with what the employee was initially doing. Management member "B" indicated that the firm's mentoring process was recorded on paper via a mentoring slip. Management member "B" explained that the mentoring slip recorded the persons involved in the mentoring process, the work activity, and the duration of the task. Management member "B" asserted that the mentoring slips of employees were collected for the firm's training records. Management member "J" and management member "F" reported that when the occasion arose, the team openly discussed a topic or problem that a staff member had, so that the employees in the office could interact and learn from the discussion.

Four of the seven management members (management member A, B, C and D) also had formal weekly training programmes in the office. In the training programme, management discussed and explained advanced quantity surveying activities and procedures. The four management members also denoted that in the formal training programme, management or senior employees demonstrated and explained the latest quantity surveying software packages to employees. The four participants

added that the software packages enhanced the quality and efficiency of the firm's services. Management member "I" proclaimed that when a senior staff member attended a CPD course that could benefit other employees, then that senior employee would reproduce the information acquired from the course for other employees in the firm. Management member "I" explained that the transfer of information was done through a mini presentation so that employees could learn from one individual's CPD course experience.

The aforementioned seven management members (management members A, B, C, D, F, I and J) stated that staff members learned via on-the-job training and through additional learning initiatives. With on-the-job training, employees are individually mentored by management or senior staff members until employees can perform the activity independently. Huber (1991:91) notes that experiential learning is sometimes acquired in a deliberate and methodical manner. With on-the-job training, management also discusses activity problems openly so that other employees can learn and provide input, in order to contribute to the discussion. Learning internally is an important part of organisational learning, where staff members distribute information among one another (Simon, 1991:125). Four of the abovementioned seven management members (management members A, B, C and D) have a weekly training programme for employees. The training programme focuses on advanced quantity surveying activities. In the training programme, management and senior staff members explain and demonstrate how to perform activities. The activities demonstrated in the training programme are given to staff members in the form of work activities.

Levinthal and March (1993:106) acknowledge that the standard performance of employees is generally increased when employees participate in learning activities. The abovementioned seven firms (companies A, B, C, D, F, I and J) have additional learning initiatives that are structured in such a way that experienced employees assist in the steady development of inexperienced employees. Individual mentoring and office discussions keep staff members interactive and interested in the work. The formal training programmes provide staff members with timely practical skills and act as drivers for individual and group learning. Management is very proactive in the previously mentioned seven firms, where support and learning are concerned. The interactive initiatives in the seven firms can minimise communication barriers between experienced and less experienced employees.

Additional programmes enable staff members to learn from multiple initiatives, which provide employees with additional learning opportunities. Levinthal and March (1993:106) declare that the standard of performance of employees is generally increased when employees participate in learning activities. Staff members with limited training opportunities and less experience perform more poorly at work than staff members with extensive training and more experience do. Staff members perform more consistently at work when they have more experience and additional training. The unpredictability that is associated with an employee's performance is reduced by the additional training and learning initiatives within the firm.

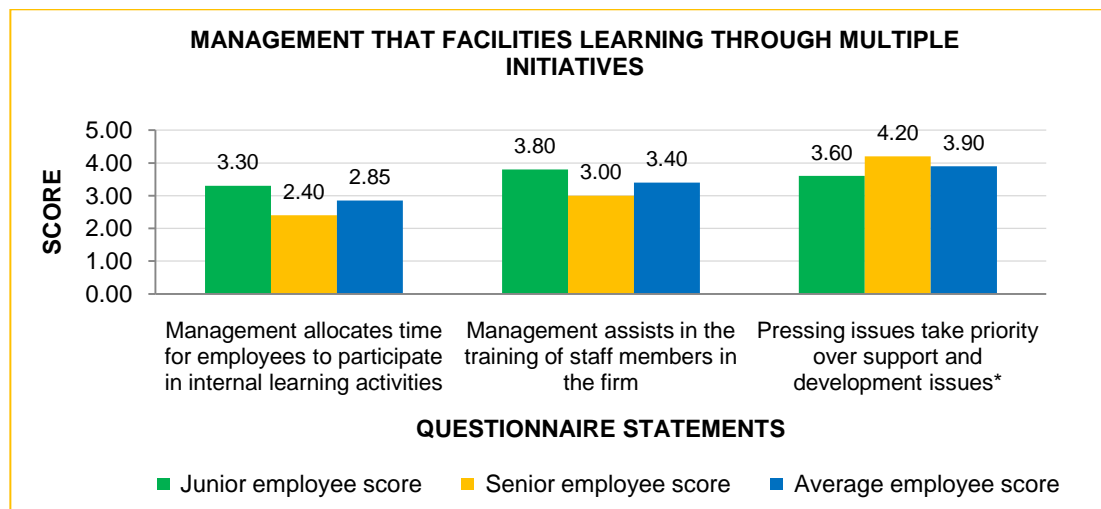


Figure 4.17: Management that facilitates learning through multiple initiatives

Table 4.24: Combined scores of the statements from employees for Figure 4.17

Reference: Company A, B, C, D, F, I and J		
Participant(s)	Total score for statements	Rating (%)
Junior	9.50 out of 15	63
Senior	7.20 out of 15	48
Junior & Senior (average)	8.73 out of 15	56

As illustrated in Figure 4.17, junior participants in sub-section B noted that management sometimes allocated a period for staff members to participate in internal learning activities. Junior participants also indicated that management members often assisted in the training of employees, but time and again urgent issues took precedence over support and development issues in the practice. The views of junior participants in sub-section B correspond with the views of employees in sub-section A. The negative aspect of the learning elements in this sub-section (sub-section B), is that pressing issues normally take precedence over support and development issues. This problem can hinder learning and development programmes since an organisation can easily remain operating in this manner, which prolongs the learning period of employees. According to Garvin et al.

(2008:111), time is a critical factor for supportive learning organisations. An allowance of time enables employees to review actions and extract lessons from work activities. Junior participants rated the learning elements for this sub-section at 63 percent (see Table 4.22 for the total score of statements), which is satisfying, but only to a certain degree. The rating given by junior staff members is not significantly better than the rating given by junior staff members in sub-section A.

Senior staff members in sub-section B specified that management hardly ever allowed staff members to participate in internal learning initiatives. Garvin (1993:91) states that learning only occurs within a firm when management openly allocates a period for staff members to learn. The lack of learning opportunities within the firm suggests that senior staff members have to learn and work simultaneously. Management members may assume that the internal training initiatives are sufficient for internal learning and are thus reluctant to provide staff members with additional internal learning opportunities. Senior staff members pointed out that management sometimes assisted in the training of staff members, although urgent matters tended to take preference over employee support and development issues. Senior participants in sub-section B received little support from management where enabling staff members to learn and develop internally were concerned. A shortfall of support on the part of management can negatively influence the attitude of employees at work (George & Jones, 2008:78). Senior staff members rated the learning elements of this segment at 48 percent (see Table 4.22 for the total score of statements). Forty-eight percent is somewhat unsatisfactory, and lower than the ratings given by senior staff members in sub-section A (firms with fewer internal learning initiatives).

The combined score of employees in sub-section B is rated at 56 percent. The combined score of employees in sub-section B is identical to the combined score of employees in sub-section A. The positive aspect of sub-section A is that junior staff members and senior staff members have consistent ratings. The identical combined scores of employees in sub-section A and sub-section B suggest that even though there are more learning opportunities in sub-section B, the employees in sub-section B do not necessarily find that their learning initiatives are more superior to the learning initiatives of the firms in sub-section A.

Summary

The four management members in sub-section A only help staff members with on-the-job training. Inexperienced employees learn by assisting experienced employees. Experienced senior staff members in sub-section A mentor inexperienced staff members and inspect the completed activities of inexperienced staff members. Additionally, when a senior staff member attends a CPD course that is beneficial to all employees, the senior employee will reproduce the information for the staff members in the office, so that the staff in the office can also learn from the CPD course. Through on-the-job training and mentoring, inexperienced staff members can develop knowledge through Nonaka (1994:18-19) and Nonaka and Takeuchi's (1995:62-72) SECI model. Factors like management's allocating time for employees to participate in learning activities, management's assisting in mentoring staff members, and urgent issues taking precedence over support and development issues are rated at 56 percent. Management has the ability to encourage learning initiatives (Tainio et al., 2001:428), while O'Keefe (2002:133; 136) adds that learning requires the endorsement of management, since proper learning cannot be done discretely. Garvin et al. (2008:110-113) note that time is also a critical factor in organisations that support learning, because time enables staff members to review actions and extract lessons from work activities. Junior participants in sub-section A scored lower than the junior participants in sub-section B (firms with additional internal learning initiatives). Senior staff members rated the learning components in sub-section A at 55 percent, which is a higher rating than the that given by senior participants in sub-section B.

The remaining seven management members in sub-section B declared that employees learned through on-the-job training and through additional internal learning programmes. The seven management members explained that staff members were mentored on a one-on-one basis and that employees were involved in regular, informal learning-oriented discussions. Four of the seven management members (management members A, B, C and D) also had a weekly training programme for employees. In the training programme, staff members interacted with other employees. Junior participants in sub-section B are 63 percent satisfied with management's allocating time for them to participate in learning activities, and with management's assisting with training initiatives. The negative aspect is that urgent issues normally take precedence over developmental and support issues. Maister (1993:208) and Hamel and Prahalad (1994:123) contend that urgent issues within firms frequently take precedence over organisational developmental issues.

Learning can only occur when management openly allocates a segment time and gives staff members an opportunity to learn (Garvin, 1993:91). Junior participants in sub-section B are more satisfied (63%) than the junior participants (57%) in sub-section A (firms with limited learning initiatives). On the other hand, the senior staff members in sub-section B rated the learning elements in this section at 48 percent, which is lower than the rating of senior participants (55%) in sub-section A. Even though employees in sub-section B have additional learning opportunities, employees in sub-section B are equally as satisfied as employees in sub-section A.

Junior staff members in the study are learning specific core quantity surveying skills in order to meet the SACQSP requirements. The learning that occurs is strategic in nature since learning modules have to be completed. The learning for junior employees focuses on exploitative learning. Senior staff members are also involved in exploitative learning and thus focus on refining core quantity surveying abilities. March's (1991:71) exploitation learning involves learning that deals with refinement, efficiency, selection and implementation. A common criticism within the eleven firms is the lack of time allocated for employees to learn internally. Learning requires intuition, interpretation, integration, and institutionalisation (Crossan et al., 1999:525-529), which are factors that require sufficient time. After all, an allowance of time enables employees to review actions and extract lessons from work activities (Garvin et al. (2008:111), which allows knowledge to be embedded in an individual's mind.

4.4.4 Have you (the manager) assisted staff members with resources for external learning initiatives? (If yes, please state the resources. If no, please explain why not?)

Of the eleven management members, ten management members (management members A, B, C, D, F, G, H, I, J and K) assisted employees financially and allowed employees to take a leave of absence should they require a break for educational purposes. Five of the ten management members (management members A, B, C, D and K) also encouraged staff members to accumulate new skills. Four of the five management members (management members A, B, C and K) added that staff members were sent on CPD courses and short courses in specialised fields. The four management participants added that some employees were enrolled in tertiary studies, and some employees had graduated in postgraduate degrees with financial assistance from the firm. Management participants indicated that staff members were allowed to take a leave of absence to study for exams or to complete

assignments. Three of the four firms (companies A, B and K) had bursary programmes, which could be used to advance the qualifications of employees. Management member “D” asserted that employees were the firm’s biggest asset and if the firm wanted to maintain a high standard of service then management had to invest in staff training. Management participant “J” affirmed that the firm only provided financial assistance when the opportunity to do so arose, given that the majority of employees had completed their tertiary education. Nevertheless, management member “J” added that employees had completed additional tertiary short courses. The remaining management member (management member E) did not provide any support for external learning activities. Management member “E” declared that providing support to employees was important, but if employees needed assistance with tuition fees, then they had to approach management with the issue. Management member “E” added that nobody had approached management thus far. Management member “E” acknowledged that if an employee required time to complete assignments, then the employee could do that, on condition that the work activities of the employee were completed.

Almost all management members (except management member E) provide employees with resources to learn externally because learning, according to Argyris (1991:99), is becoming increasingly important for organisational success. Staff members in the previously mentioned ten firms may feel valued since the company is investing in the development of employees. Learning externally can enhance employee growth and development, which leads to employee satisfaction (Herzberg, 1987). Learning externally allows staff members to gain knowledge through a focused search method. With a focused search, employees explore a narrow area of interest in search of information (Huber, 1991:97-99). Learning externally enables employees to break away from the daily office pressure to connect with other people in the industry or same area of speciality. This breakaway from the office allows the staff members to relax to a degree, which may improve the assimilation of information. Employees can utilise the information gained at the course and incorporate or experiment with the information in the workplace, which may reinforce or expand the employee’s understanding. The management member or senior staff member that provides employees with guidance at work may not necessarily be an ideal mentor, in terms of communication and explaining activities. This is particularly true when compared with the quality of the person giving the lecture at a tertiary institution. Investing in the development of human resources, from a management perspective, is an excellent method of ensuring that employees have the latest

knowledge and skills. The development of the employee's knowledge and skills is necessary for maintaining a high standard of work (Levinthal & March, 1993:106).

The remaining management member, participant "E", noted that company "E" did not provide any support for external learning activities. The management member realized that providing resources was important and acknowledged that if staff members needed resources, be it time or money, then employees had to approach management with the matter. Investing in an employee's development is important because employee development improves the employee's confidence and job satisfaction. Management relinquishes a significant opportunity to engage and assist staff members to fulfil higher order needs, as described by Maslow (1970). Employees in this firm are limited to on-the-job training. This unconstructive perspective of management can cause staff members to feel less valued than the staff members in the other ten firms (companies A, B, C, D, F, G, H, I, J and K). Management that provides resources for learning initiatives, ultimately, shows support for employee development (Srivastava & Frankwick, 2011:161).

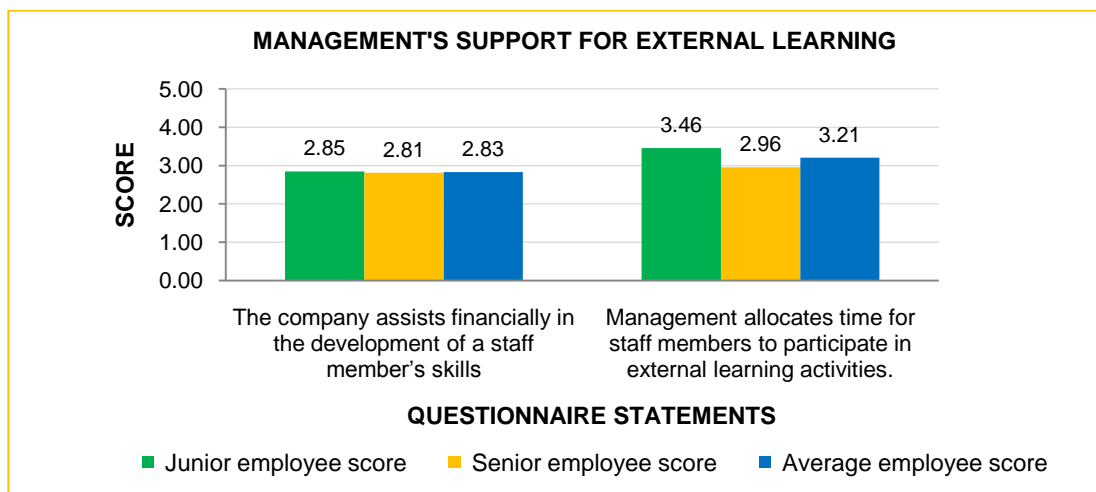


Figure 4.18: Management's support for external learning

Table 4.25: Combined scores of the statements from employees for Figure 4.18

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	6.31 out of 10	63
Senior	5.77 out of 10	58
Junior & Senior (average)	6.04 out of 10	60

As shown in Figure 4.18, employees in the eleven organizations indicated that the company sometimes assisted employees financially and sometimes provided employees with the required time to participate in external learning activities. From a staff member's perspective, on-the-job training is the primary source of gaining

knowledge. Learning and developing knowledge are essential for individuals in professional organisations (Maister, 1993:144). From a management perspective, employees primarily deal with tasks and deadlines. Management may also find that on-the-job training is an effective and efficient way to educate individuals, since staff members are provided with relevant knowledge and skills at no additional cost to the firm. On-the-job training enables employees to develop technical tacit knowledge. Swart and Kinnie (2003:63-64) affirm that technical tacit knowledge can only be instilled via a shared experience or by an action-oriented activity with other staff members. Swart and Kinnie (2003:63-64) further add that tacit knowledge forms the foundation of competitive advantage. Junior participants in the eleven firms rated the learning elements in this sub-section at 63 percent, while senior participants rated the same elements at 58 percent. Senior participants seem to receive less support for external learning than junior participants do.

The combined score of employees in this sub-section is rated at 60 percent (see Table 4.25 for the total score of statements). Employees in the eleven firms are only somewhat satisfied with their organisation's external learning initiatives. Staff members probably use personal resources, such as time (after working hours) and or money, to develop through external learning initiatives. If staff members are financially independent, then employees may occasionally be granted an occasion to participate in external learning activities, which is reasonable. The average combined score given by employees for this sub-section indicates that learning primarily occurs internally through on-the-job training. Supplementary learning opportunities are essential, as learning is becoming increasingly important for success (Argyris, 1991:99) and necessary for maintaining a high standard of work (Levinthal & March, 1993:106).

4.4.5 What is your (the manager's) outlook on exposing staff members to different and more challenging work activities?

Every management participant is of the view that exposing staff members to different and challenging activities is important. Nine management members (management members A, B, D, E, F, G, H, J and K) also encourage employees to take on challenging tasks. Management participants asserted that exposing employees to various challenging tasks was important because as a manager you want to give employees a rounded work experience. According to management members, one has to expose staff members to challenging activities because that is how staff members learn. Employees that engage in challenging activities want to

develop new skills. Developing additional skills improves the staff member's confidence, which benefits the employee and the firm. Management affirmed that as a safeguard they would check the work activities of less experienced staff members to ensure that the work was correct. Management participant "D" indicated that the biggest fear was that staff members might become bored with repeatedly doing the same activity. Management member "D" explained that the company did not want to create specialists in a certain activity; thus people needed to be multi-skilled, which essentially benefited the firm. Management member "D" added that exposing employees to new tasks allowed management to tap into people's strengths.

All eleven management members reported that exposing staff members to different and challenging activities was important. Nine management members (management members A, B, D, E, F, G, H, J and K) also encouraged employees to engage in challenging activities. The nine management members wanted to expose staff members to a range of activities, in order to give staff members a better work experience. All management members asserted that by challenging employees, the staff members learned and developed additional skills. Additional skills benefit the individual and the organisation. Satisfaction at work can be improved when management provides diverse and challenging tasks for employees (Ivancevich et al., 2008:111; 130). According to Maister (1993:149; 155), building knowledge is a simple task, but knowledge depreciates rather rapidly. Skills, on the other hand, are hard to acquire because skills tend to remain viable for a longer period. Maister (1993:149; 155) adds that developing technical skills is a small requirement to sustain a professional career.

By encouraging employees to develop, management also empowers employees by giving them more scope with work activities. Empowerment allows employees to be accountable. Empowerment also inspires creativity and makes staff members show initiative (Quinn & Spreitzer, 1997:37). By exposing employees to various challenging work activities, management challenges staff members to take on more responsibility and to become more involved with the firm's work activities. Further involvement can improve employee morale and enables employees to fulfil higher-order needs. Junior staff members generally need to be exposed to a range of quantity surveying activities so that they can meet the requirements of the SACQSP to enable them to pursue professional registration. Senior staff members should also be exposed to challenging activities, since Levinthal and March (1993:106) assert that the development of an employee's knowledge and skills is necessary for maintaining a high standard of work.

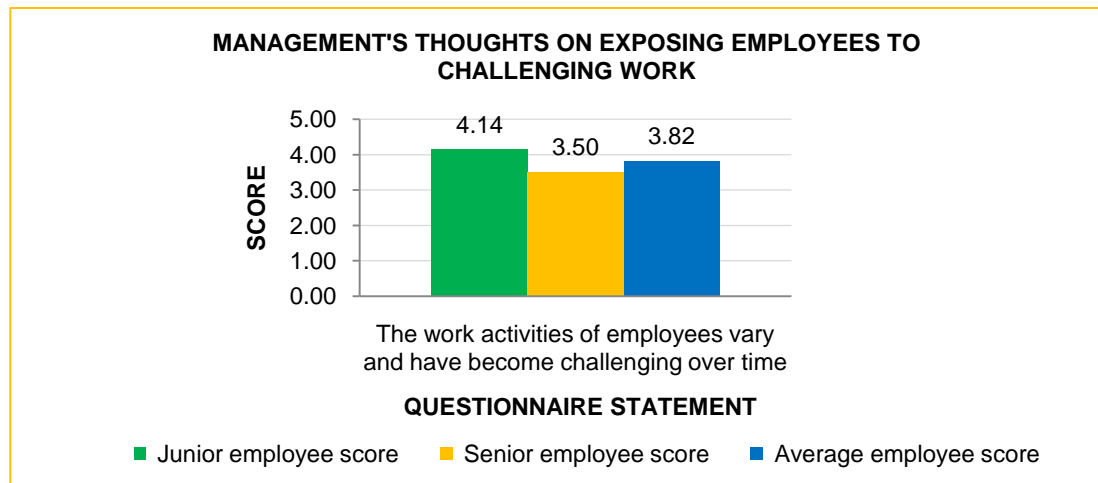


Figure 4.19: Management's thoughts on exposing employees to challenging work

Table 4.26: Combined scores of the statements from employees for Figure 4.19

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	4.14 out of 5	83
Senior	3.50 out of 5	70
Junior & Senior (average)	3.82 out of 5	76

As shown in Figure 4.19, junior and senior staff members in the eleven firms indicated that work activities in the company often varied and had become more challenging over time. This contention from the participants corresponds with the remarks of management members. Herzberg (1987:112) declares that management has to structure work so that the skill of the person is matched to the challenge of the task. Employees should strive to develop new skills by searching for challenging work assignments that encourage the taking of risks (Garvin, 1993:81-87). Taylor (2003:36) contends that one of the factors that influence people to remain at or depart from the firm is the opportunity to do challenging work and develop new skills. Junior participants in the eleven firms rated the learning elements in this sub-section (interview question 5) at 83 percent, while senior participants rated the same elements at 70 percent (see Table 4.26 for the total score of the statement). Junior employees are generally more satisfied with the learning elements than senior employees are, when comparing the feedback of employees for this sub-section. The combined score of employees in the eleven firms is rated at 77 percent, which is a fairly satisfying and favourable score, if staff members want to develop.

4.4.6 Have you (the manager) improved the sharing of knowledge between experienced staff members and less experienced staff members? (If yes, what has been done? If not, why not?)

Eight of the eleven management members (management members D, E, F, G, H, I, J and K) stated that senior staff members regularly shared knowledge with colleagues during informal one-on-one discussions. Three management members (management members A, B and C) also had a weekly training programme where senior staff members or management members demonstrated how to perform advanced quantity surveying activities and procedures to junior staff members and other senior staff members. According to the three management members, in the weekly training programme, staff members also interacted and asked questions about the given topics. By interacting, employees can clarify and enhance their understanding. Apart from one-on-one informal discussions, two management members (management members D and H) also circulated knowledge bulletins on the organisation's internal computer network. Management members indicated that the bulletins contained guidelines and other relevant industry information. All management members asserted that the majority of knowledge was shared when senior and junior staff members interacted on daily teamwork activities.

Eight of the eleven management members (management members D, E, F, G, H, I, J and K) affirmed that senior staff members regularly shared knowledge with junior staff members during informal one-on-one discussions. Argote and Ingram (2000:151; 154) assert that transferring knowledge from an experienced person to a less experienced person within an organisation influences the performance or knowledge of the less experienced individual. Two of the abovementioned eight management members (management members D and H) uploaded knowledge bulletins onto the organisation's computer network, with relevant information about work-related topics and the quantity surveying profession. Management, on the other hand, asserted that the bulk of sharing of knowledge occurred when staff members performed teamwork activities together. Garvin (1993:81-87) confirms that learning from others at work is very important. Management members mainly encourage senior staff members to share knowledge with junior staff members while working together on teamwork activities.

The remaining three management members (management members A, B and C) asserted that with the formal weekly training programme senior staff members and/or management demonstrated and explained advanced quantity surveying

activities to less experienced staff members. The three management members added that the training programme provided junior staff members with a platform to ask questions so that junior staff members could develop a better understanding of the quantity surveying subject matter. Training programmes allow staff members to learn within a group setting. Group learning allows individuals to ask questions and learn from the experience of other staff members. Nonaka and Takeuchi (1995:13) state that by means of observations, sharing knowledge and having discussions, knowledge can be developed within the group. When knowledge is shared with other people, the people's knowledge not only grows, but the responses and interaction cause the original knowledge to be amplified. The shared knowledge improves and increases the development of the person that shared the knowledge (Levinthal & March, 1993:104; Quinn et al., 1996a:8). Egbu et al. (2005:13) acknowledge that sharing knowledge advances the recipient's knowledge, but the essence of the knowledge remains with the knowledge donor.

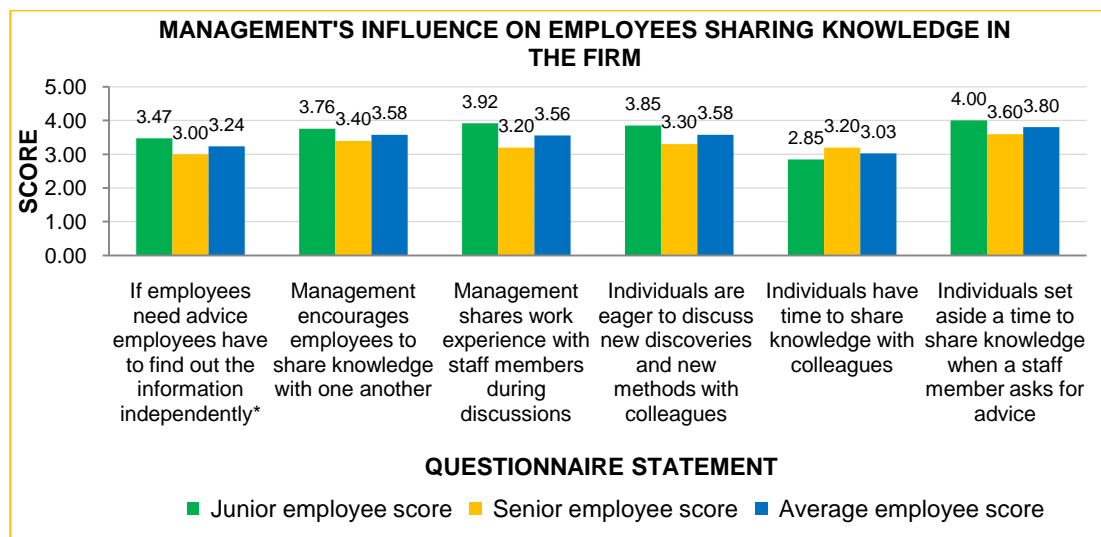


Figure 4.20: Management's influence on employees sharing knowledge

Table 4.27: Combined scores of the statements from employees for Figure 4.20

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	21.85 out of 30	73
Senior	19.70 out of 30	66
Junior & Senior (average)	20.78 out of 30	69

As seen in Figure 4.20, employees in the eleven practices signified that if one required advice then one had to sometimes search for the information independently. According to Friedman (2001:399), for organisational learning to occur, the role of the individual is essential, but the role of a single individual is not enough. Individuals need to work in groups to convert tacit knowledge to explicit knowledge, which can lead to the creation of knowledge at an organisational level.

Friedman (2001:399) adds that various knowledge resources could be utilised when individuals are encouraged to share personal experiences within a group. From a managerial perspective, exploring and finding solutions independently foster independence among staff members. From an employee's point of view, experienced staff members should endeavour to assist colleagues by providing co-workers with advice. From a supportive learning culture standpoint, occasional support is not an ideal situation for employees. A supportive learning culture has learning mechanisms that promote learning and the sharing of knowledge (Garvin, 1993:81-87).

Independence may benefit staff members to a degree, especially if employees can find alternative sources of information. Junior participants in the study indicated that management often encouraged staff members to share knowledge, while senior participants found that management only did this now and again. Junior participants received additional support from management in this sub-section when compared with the feedback of senior participants. Junior participants also pointed out that co-workers were often eager to discuss new discoveries and methods, while senior participants were less optimistic with this element. Junior participants noted that colleagues often shared insights about work activities, while senior participants contended that this only occurred on an occasional basis. Junior staff members signified that colleagues sometimes had time to share knowledge with other staff members. To compensate for the shortfall of support, staff members often scheduled a period to share knowledge with other employees. Employees are often directed by deadlines where pressure forces them to focus on urgent matters; therefore assisting somebody immediately is sometimes difficult. Co-workers make up for this lack of immediate support by setting aside a period to assist staff members later on, which provides some consolation. Senge (1999:6) notes that experienced members that truly want to assist in the development of other individuals will share knowledge by explicitly generating learning circumstances.

Junior participants in the study rated the learning elements for this segment at 73 percent (see Table 4.27 for the total score of statements), which is satisfying to an extent. On the other hand, senior participants in the study rated the same learning elements at 66 percent. Senior members are more optimistic than junior members about the sharing of knowledge within the firm, but are generally less satisfied than junior members in this sub-section. The combined score of employees is rated at 69 percent, which is tolerable, but not an ideal circumstance for employees where availability to knowledge resources is concerned.

4.5 Section C – Service diversification analysis

The service diversification section comprises six interview questions. The six interview questions are accompanied by feedback from the research questionnaires, which contain statements that are linked to the interview questions. Therefore, management provides feedback from a manager's point of view while staff members provide feedback from a staff member's viewpoint.

All firms that participated in the study provide project management as a related service. Seven of the eleven firms offer the value engineering service; four firms offer the maintenance management service; five firms offer the risk management service; four firms offer an expert witness service; and three firms offer a property development service. Table 4.28 displays a summary of the related services offered by firms.

Table 4.28: Related services on offer by firms

RELATED SERVICES	COMPANY										
	A	B	C	D	E	F	G	H	I	J	K
Expert witness		✓	✓					✓			✓
Maintenance management	✓	✓			✓			✓*			
Project management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Property development		✓		✓				✓*			
Risk management	✓	✓	✓		✓		✓				
Value engineering	✓	✓	✓		✓		✓	✓			✓
* Services performed on a joint venture basis											

4.5.1 Why did the company offer related services?

The first interview question for the related services diversification segment is divided into six sections, namely: project management service, value management service, risk management service, maintenance management service, expert witness service, and property development service. The reason for offering the related service is explained under the heading of each related service.

Project management service

Five of the eleven management members (management members A, B, E, G and I) declared that the reason for offering the project management service was that there was a need for project management. The five participants asserted that just as the construction industry had evolved and developed over time, the need for other

specialised skills had also grown. The management participants acknowledged that additional services signified to clients that the firm was capable of providing a client with a complete set of services, as opposed to a limited set of services. The participants declared that the related service also acted as a marketing tool for the firm. Three management members (management members A, B and G) added that the related service also showed clients that the firm was progressing. The three management participants explained that there was a need for the project management service in the industry on several projects, not just on bigger and complicated projects.

Four management members (management members C, H, J and K) offered related services to expand on their organisation's service offerings. The four management participants added that the additional service increased the organisation's work opportunities and, ultimately, improved the financial circumstances of the firm. The four management participants stated that offering a limited set of services was risky; thus the additional service enabled the organisation to spread the risk.

The remaining two management members (management members D and F) offered the project management service because of the two participants' previous work experience. The previous employer of the two management members offered project management. The two management members often assisted with project management activities and gained experience in the project management field. The two participants indicated that the project management skill was useful, and thus incorporated the project management service into company "D" and company "F".

Value engineering service

Of the seven firms (companies A, B, C, E, G, H and K) that provide the value engineering service, four management members (management members A, B, E and G) asserted that there was a market for the value engineering service. Management from company "E" wanted a wider reach in the service market, given that a wider spread of business tends to equal a higher turnover. Then again, management members from three firms (companies C, H and K) wanted to expand the organisation's existing services. Management participant "C" declared that opportunities for the related service did not occur frequently. Management participant "H" added that there were numerous competitors in the service market; thus one had to set one's company apart from competitors in order to survive and adapt to external circumstances. The three management participants (management

members C, H and K) declared that the ability to provide related services also acted as a marketing tool for prospective clients. All management members, ultimately, wanted to provide clients with a wider set of services.

Risk management service

Of the five organisations (companies A, B, C, E and G) that offer the risk management service, three management members (management members A, B and C) affirmed that there was a need for the related service. Management members acknowledged that this service was mostly required on larger or complicated projects, which did not occur regularly. Conversely, the remaining two management members from company “E” and company “G” wanted to expand their organisation’s existing services with the aim of increasing work opportunities. Management participant “E” added that opportunities to provide the risk management service were limited. All management members stated that the related service promoted the organisation’s capabilities to potential clients.

Maintenance management service

Of the four firms (companies A, B, E and H) that offer the maintenance management service, three management participants (management members A, B and H) noted that there was a definite need for the maintenance management service. Management members indicated that the problem with this service was that there was ample competition in the maintenance service sector. Management in company “E” wanted to expand the firm’s services in order to improve work opportunities. Management member “E” asserted that competition limited work opportunities for the firm. Management participant “H” stated that the maintenance management service was a new service for the firm. As a result, management “H” explained that the firm offered the maintenance management service on a joint venture basis with a small property development firm. All management participants declared that the related service promoted the firm’s potential to prospective clients. Management participants added that the client had access to a wider range of services, as opposed to a few services.

Expert witness service

Of the four organisations (companies B, C, H and K) that provide the expert witness service, one management participant (management member B) declared that there

was a need for the expert witness service. Conversely, management participant “C” indicated that company “C” wanted to have a wider reach in the market and, ultimately, additional work opportunities. On the other hand, management participant “K” wanted to expand the firm’s existing range of services so that clients could have a one-stop shop in terms of services. Then again, management participant “H” expressed that the expert witness service could be financially beneficial. According to management participant “H”, the expert witness service would also allow company “H” to be differentiated from its competitors. The related service enables a firm to adapt to a changing and difficult environment. Management participant “H” added that the firm could spread some of the risk over a wider range of services. The four previously mentioned management members declared that there were limited opportunities for the related service. Management member “H” stated that there were professionals in the industry that specialised in the expert witness service, who hindered work opportunities for company “H”.

Property development service

Of the three firms (companies B, D and H) that offer the property development service, two management members (management members B and H) indicated that there were opportunities for a property development service. Management member “B” acknowledged that a client was likely to have more confidence in a firm that had a growing service portfolio than a firm with limited abilities. On the other hand, management participant “D” declared that because property development formed part of her previous work experience, she was able to provide the related service to clients. Management participant “D” indicated that the property development service could be beneficial to company “D”. Management member “H” stated that the property development service was provided to clients on a joint venture basis. According to management member “H”, the property development service was a new service for company “H”, which lacked experience in the property development sector. Because of this inexperience, company “H” offered the property development service on a joint venture basis. Performing property development on a joint venture basis is a low risk method of performing the new service. The partnering firm has the knowledge and company “H” will assist the partnering firm with the service until company “H” gains sufficient experience. Management member “H” acknowledged that when company “H” had gained sufficient experience in the property development service, the company would provide the service independently. The three previously mentioned management members that offered the property development service asserted that offering the related service could enhance the

image of the firm. The three management members acknowledged that there were other organisations in the property sector that were better known for providing property development services. Management members admitted that these established specialist firms obtained the majority of the work opportunities. Management member “B” added that markets for services varied over time.

Fifty-five percent of the responses (calculations for the responses are found in Appendix F) from management members that provide related services signified that related service(s) were offered because there was a need for related services. One of the reasons for diversification is that when the outlook of the core services begins to decline, the prospect to diversify into other markets becomes an important organisational issue (Thompson et al., 2005:237). Thirty-two percent of responses indicated that management wanted to expand the organisation’s range of services. Nine percent of the remarks implied that management’s previous work experience had allowed management to offer related services. Thompson et al. (2005:237) assert that a firm is a primary contender for diversification when competencies can be leveraged further by expanding into markets that can utilise this resource. Four percent of the responses of management members indicated that management had wanted to offer a unique service; thus management had decided to offer the related service(s).

The reasons that management members provided focused on increasing work opportunities for the firm. None of the management members considered the development of employees as part of the rationale for offering related services. Ramanujam and Varadarajan (1989:525-526) states that firms should focus on the organisation’s capabilities when implementing strategic initiatives. Grant (2008:407) asserts that related diversification deals with sharing the organisation’s abilities and resources. Prahalad and Hamel (1990:81-82) indicate that diversification can be directed by the core competencies of the firm and not simply by the appeal of the chosen market.

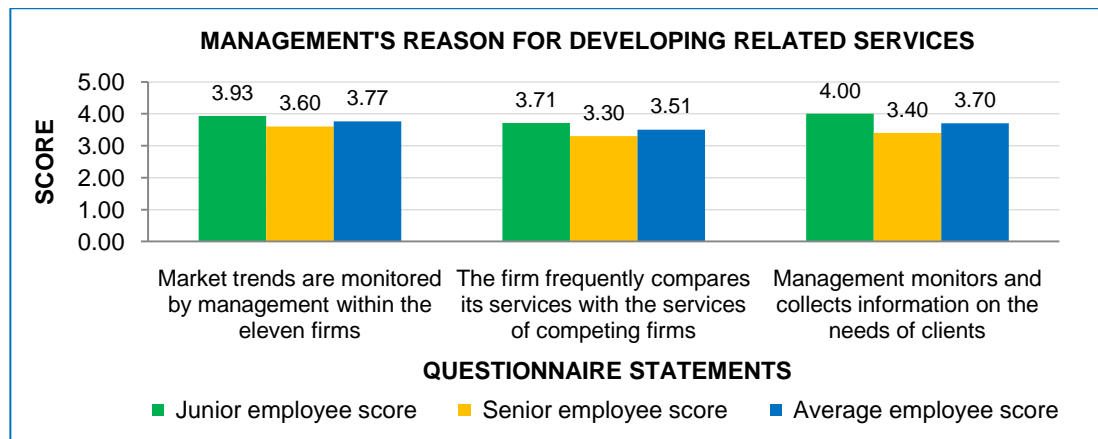


Figure 4.21: Management's reasons for developing related services

Table 4.29: Combined scores of the statements from employees for Figure 4.21

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	11.64 out of 15	78
Senior	10.30 out of 15	69
Junior & Senior (average)	10.97 out of 15	73

As illustrated in Figure 4.21, employees in the eleven practices agree that market trends are monitored in the organisation. Junior employees showed that the company frequently compared its services with the services of competitors. Senior staff members were uncertain about this matter. Junior staff members agreed that the organisation monitored and collected information on the needs of clients, while senior staff members were uncertain about this element. The service diversification elements in this sub-section affect management's decision to diversify the firm's range of services. Junior participants rated the related service components for this segment at 78 percent, while senior participants rated the same factors at 69 percent. A combined average rating of 73 percent (see Table 4.29 for the total score of statements) suggests that while employees are sure of organisational culture and learning and the development of knowledge elements, there is some uncertainty around the service diversification sector of the study. This uncertainty implies that staff members are not included in the strategic aspects of the organisation, as opposed to the organisation's operational work activities. Bartlett and Ghoshal (2002:36) assert that strategic objectives should consider the individuals at the bottom of the hierarchy.

**4.5.2 Was the formation of the related service(s) planned with other staff members?
(If yes, explain how, and if no, why?)**

Each management member reported that the formation of the related services was planned. Management participant “A” and management participant “G” indicated that the firm’s project management service was not planned. Ten management members (management members A, B, C, E, F, G, H, I, J and K) declared that the related service(s) was discussed with a business partner (managing partner) in the firm. Management participant “D” acknowledged that the formation of the related services was planned, but not with other co-workers, because management member “D” is the only principal in the firm. Five management members (management members A, B, C, E and H) had discussions to review which resources were required, whether venturing into related service was feasible, and whether management was capable of performing the duties of the related service(s). Five management members (management members D, F, G, J and K) affirmed that the formation process of the related services focused on the “implementation aspect” of the related services. Management participant “I” stressed that before the firm offered the related service to clients, the management members had discussed the aspects of the service and researched the market and, ultimately, developed a business plan for the related service.

Two management members (management members A and G) reasoned that the firm’s project management service was not planned with other colleagues, given that the initiation of the project management service occurred naturally. According to the two management participants, the project management service was one of the requirements of the project, and therefore the service was initiated by the circumstances of the project. The client required a project management service as part of the overall service package. The firm assisted the client and performed the project management service to the best of the firm’s ability. The project management service simply had to be performed. The two management members stated that the firm was able to deliver the project management service because project management was familiar territory. The two management members declared that aspects of project management formed part of the quantity surveyor’s core services and part of the quantity surveyor curriculum at university. The two management members, in this instance, had knowledge of the project management service. Cohen and Levinthal (1990:128-131) declare that a person’s ability to distinguish relevant data, integrate the relevant data, and employ the relevant data commercially depends on the related aspect of the individual’s knowledge.

Ninety percent of the responses from management members indicated that management members planned to offer related services with another staff member, namely, a business partner. Seven percent of the responses specified that management members planned to offer the related service, but performed the planning independently. The initiation phase (pre-planning phase) and implementation phase (post-planning phase) of the development of related services within the firms were informal in almost all firms. The planning process in most firms contained formal guidelines. Guidelines included processes and procedures of the related services. Because of this, the most popular method of forming the related service(s) is through a formally oriented process. According to Mintzberg et al. (1998:48-80), the formal method of strategy formulation focuses on a formal approach and includes factors such as procedures, analysis of organisational systems and numbers. Mintzberg et al. (1998:48-80) admit that the negative aspect of this method is that the strategy formulation process is designed around organisational functions, which makes implementing the strategy difficult. By limiting the strategy process to management members, the complexity of the process is drastically reduced. Limiting strategic initiatives in local quantity surveying practices to the management level underpins Murphy's (2012) conclusions. The participation of staff members in the strategic process is an ideal scenario because employees feel a sense of involvement when they are included in the planning process (Murphy, 2012). Bartlett and Ghoshal (2002:36) contend that strategic objectives should consider the individuals at the bottom of the hierarchy.

The remaining three percent of responses (management members A and G) signified that the project management related service occurred because it was a requirement of the project. This method of strategy formulation focuses on strategy through a visionary (entrepreneurial) process. According to Mintzberg et al. (1998:124-148), a visionary strategy is independently formed by an individual leader in the firm and focuses on factors such as judgement, wisdom and experience. The leader within the firm envisions a visionary strategy. The leader is also personally responsible for the strategy's construction. The organisation, consequently, has to comply with the unplanned mission of the leader. The strategic direction is purposeful and the process of the strategy is emergent since the strategy develops as it progresses. According to Mintzberg et al. (1998:124-148), the negative aspect of the visionary formulation process is that it is somewhat hidden and indefinite. This can be hazardous if the organisation begins to struggle. In most instances, management members took a decision to offer related services. The decision to

diversify into related markets, ultimately leads management members (if management were unfamiliar with the service) to analyse the components that were necessary to implement the related service.

About 46 percent (45.5%) of management members discussed offering related services with a business partner and evaluated the resources, feasibility of providing the service, and whether management were capable of performing the duties for that particular service. About 46 percent (45.5%) of management discussed the idea to offer related services with a business partner, but primarily discussed the need for the services. The discussions mainly focused on the technical skills that were required to perform the related services. Nine percent of management responses indicated that they had had a detailed discussion about offering related services with a business partner. The management members researched the market of the related service, and ultimately developed a business plan for offering the related service to clients.

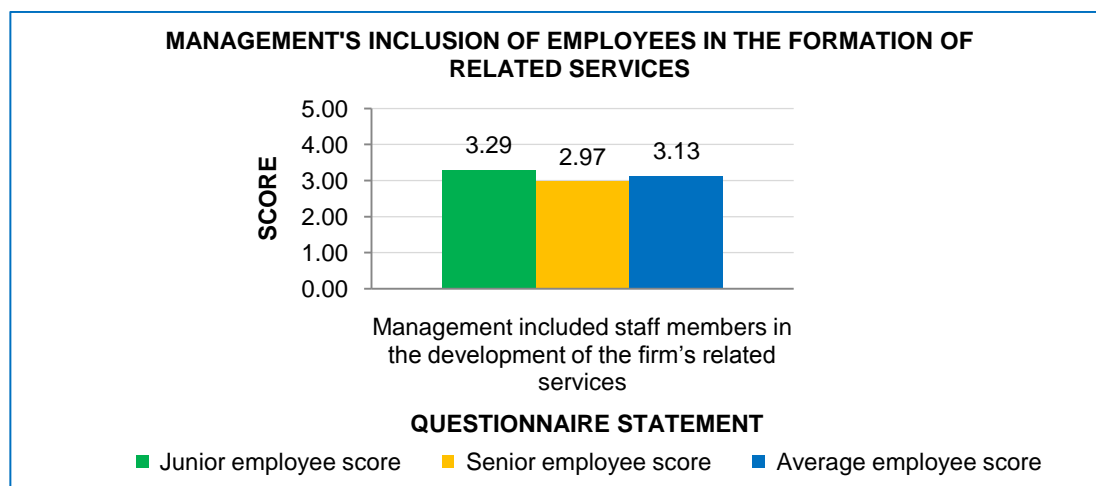


Figure 4.22: Management's inclusion of employees in the formation of related services

Table 4.30: Combined scores of the statements from employees for Figure 4.22

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	3.29 out of 5	66
Senior	2.97 out of 5	59
Junior & Senior (average)	3.13 out of 5	63

As shown in Figure 4.22, junior participants (66%) and senior participants (59%) in the study were uncertain about whether management planned on offering the related services with other staff members (see Table 4.30 for the total score of the statement). A combined response of employees in the study pointed out that staff members were generally uncertain (63%) about this matter. This discovery implies that strategic matters are discussed and implemented primarily at the management

level. This also suggests that a large majority of employees are not aware of the history of the organisation and the origin of the organisation's services. Bartlett and Ghoshal (2002:36) note that strategic objectives should take the individuals at the bottom of the hierarchy into consideration. Løwendahl (2005:59-60) argues that the organisational objectives of small firms are normally designed by the professionals in the firm. The goals of the firm incorporate the individual objectives of each professional member. The professionals in the firm also oversee the implementation of the organisation's objectives (Løwendahl, 2005:59-60).

4.5.3 Describe the method(s) used to construct the related service(s)? (Why this method?)

The third interview question in the service diversification section has five related service sub-sections, namely, project management service, value engineering service and risk management service, maintenance management service, expert witness service, and property development service. The methods that management members used to produce the abovementioned related services are explained under the heading of the respective services. The feedback of employees is subsequently analysed.

Project management service

With regard to the project management service, eight of the eleven management members (management members A, D, E, F, G, H, I and J) expanded on existing management abilities. The skills of the management participants were improved once the participants had gained experience in the construction industry. Management members acknowledged that the skill of managing, in general, was one of the quantity surveyor's areas of expertise. Management members explained that quantity surveyors were good at organising and prioritising tasks because the role of the quantity surveyor required management capabilities. When a quantity surveyor performs core quantity surveying services for the client, the quantity surveying also performs an integrated project management service, albeit on a smaller scale. Conversely, two management members (management members B and C) initially hired a project manager. Management member "B" and management member "C" explained that the project manager was integrated into the team when a client employed the project management service. The two management participants declared that they learned advanced project management skills through on-the-job experience with the hired specialist. Management member "B" also completed a

course in project management once the firm employed the specialist. The two management participants explained that clients eventually stopped employing the project management service. Management members asserted that owing to the shortfall in project management opportunities, the firm had to release the hired specialist because the project manager was a costly resource. Management member “B” and management member “C” indicated that the firm could perform the project management service without the specialist, since the firm had gained sufficient experience when the related service specialist was employed. Management member “K”, on the other hand, initiated the project management service through one of the firm’s business partners. The business partner of participant “K” had a project management background and already had experience in the project management field. Management participant “K” gained experience in the project management field through teamwork activities when the project management specialist was employed.

Eight management members (management members A, D, E, F, G, H, I and J) reasoned that expanding on skills was the most constructive method of forming the related service. Management member “A” declared that the related service was initiated by the project, but one expands on one’s knowledge in the process. Three management members (management members G, H and I) added that expanding on existing skills was beneficial, since one could develop the skills of staff members when the firm performed related service. Two of the management participants (management members H and I) also pointed out that to build up a person’s own capabilities was better than bringing in someone new. The two management participants asserted that building up skills was the better option because one already had a relationship with existing staff members, and management knew what employees were capable of and whether employees required training.

The two management members (management members B and C) that hired a specialist reasoned that hiring a specialist was the least risky method of introducing the related service. A specialist already has knowledge and experience in the related service field. Management member “B” explained that hiring a specialist was also an efficient way of forming a service.

Management member “K” initially offered the project management service through his business partner. Management member “K” reasoned that offering the service through a business partner was a convenient way of forming the service, since the business partner already had experience in the related service field.

Value engineering service and risk management service

The seven management members (management members A, B, C, E, G, H and K) whose firms provide the value engineering service, and the five management members (management members A, B, C, E and G) whose firms provide the risk management service, utilised experience to offer the related service(s). Management member “B” added that one expanded on one’s skills in a particular field when one began to offer that particular service. Management member “A” and management member “G” stated that the value engineering service and risk management service were management-related fields, which generally encompassed the skills of a quantity surveyor.

Four management members (management members A, E, G and H) reasoned that expanding on one’s experience was a constructive way of forming the service, since skills were developed internally. Management participant “B” claimed that developing the service in-house was an economical way to develop the service, given that the firm did not have to compensate someone every month for providing that particular service. Management participant “K” acknowledged that expanding on one’s experience was the most convenient way to form the service. Management participant “C” asserted that expanding on experience was a requirement at the time, and you did what you could to assist the firm because you were the principal of the firm. Five management members (management members B, C, G, H and K) added that an important objective was that the firm benefited from the service.

Maintenance management service

Three management participants (management members A, B and E) out of the four firms (companies A, B, E and H) that provide the maintenance management service expanded on their experience. Management participants admitted that experience in the industry had allowed them to venture into the maintenance management field. Management participant “E” added that the maintenance management field retained similar management fundamentals. The fourth management participant from company “H” provided the maintenance management service on a joint venture basis with a small property development firm.

Management participant “A” and management participant “E” reasoned that expanding on experience was a productive way of forming the related service, since

skills were developed within the firm. Management participant “B” asserted that developing the service in-house was an economical way of forming the service. Management member “B” explained that by developing the service internally, the firm saved on the cost of employing a specialist for only providing one particular service. Management participant “H” declared that the maintenance management service was a new service offering, and consequently, company “H” did not have experience in the maintenance management field. Management member “H” acknowledged that owing to company “H’s” lack of experience in the maintenance management field, the firm offered the service on a joint venture basis with a specialist firm.

Expert witness service

Of the four firms (companies B, C, H and K) that provide the expert witness service, three management participants (management members B, C and H) remarked that to provide the expert witness service they had expanded on their skills. The three management participants declared that the experience gained from working with the various role players in the industry was vital for the delivery of the expert witness service. Management participant “K” initially offered the expert witness service via a business partner, since the business partner had acquired expert witness experience through his previous employer. Management member “K” added that the expert witness service was offered to clients through the organisation’s business partner.

Management participant “B” reasoned that developing the service in-house was an economical way of performing the service, since the firm saved on the cost of employing a specialist. Management participant “C” declared that using one’s experience to form the service had been a requirement at the time. Management member “C” stated that a person had to do one’s part and assist wherever possible. Management participant “H” asserted that building up one’s skills was the practical way to build the business. Management participant “K” acknowledged that offering the related service via a business partner was a convenient way for the organisation to form the service, since the organisation made use of existing resources. Every management participant (management members B, C, H and K) declared that an essential factor was that the firm had benefited from the related service.

Property development service

Two management members from the firms (companies B and D) that offer the property development service expanded on their skills to produce the property development service. Management member “D” gained experience in the property development field at a previous employer. Management member “B” and management member “D” declared that an additional tertiary course had allowed them to gain knowledge in the property development field. Management member “H” reported that the property development service was offered on a joint venture basis, because of company “H’s” inexperience with the property management service. Management member “H” stated that company “H” primarily focused on the core quantity surveying services. Management member “H” added that owing to the lack of opportunities in the organisation’s main market, company “H” had had to diversify into related service fields, which would increase prospective work opportunities for company “H”.

Management participant “B” reasoned that developing the service in-house was an economical way of forming the service. Management member “B” added that the benefit of providing the service in-house was that the firm would save on the cost of employing a specialist in the property development field. In contrast, management participant “D” wanted to develop professionally and chose to learn additional skills. Management member “D” had become involved in property development at her previous firm. Management member “D” also completed a course in the property development field. Management participant “H” affirmed that property development was a new service and the organisation did not have the necessary experience in the property development field, given that company “H” focused on core quantity surveying services. Owing to this inexperience, company “H” employed the experience of a specialist in the property development field. Management “H” added that company “H” assisted in the delivery of the property development service until company “H” had gained sufficient experience in the property development service.

Eighty-seven percent of the responses (calculations for responses can be found in Appendix F) showed that management effected the organisation’s related services by expanding on management’s quantity surveying abilities. Six percent of the management responses revealed that related service(s) were developed through the skills of management’s business partners. Four percent of management’s responses signified that related services were developed through joint venture initiatives. The remaining three percent of management’s remarks signified that

related service(s) were established by hiring a specialist in that particular related service field. None of the management members incorporated non-management members into the development of the firm's related services. All methods (except for hiring and joint ventures) involved learning and the expansion of skills. Learning and the expansion of skills within the firms were restricted to management members. The participation of staff members in the strategic initiatives is vital because employees feel a sense of involvement when they are included in the planning process (Murphy, 2012). Bartlett and Ghoshal (2002:36) assert that strategic objectives have to include the individuals at the bottom of the hierarchy and not just the individuals at the top.

For management-related services, namely, the project management service, maintenance management service, risk management service, and the value engineering service, 87 percent of management members reasoned that they expanded on their existing abilities in order to provide these related services. Management members in most firms had sufficient experience in the management field, which management acquired in the construction industry. Effecting the related service by expanding on one's skills enables management members to develop advanced skills in the related service field. The method of service development is also an inexpensive and rewarding method of forming a service. Expanding on one's knowledge in a particular area of interest falls under Huber's (1991:97) focused search learning. Huber (1991:97) explains that a focused search happens when an opportunity arises and a person explores a narrow area of interest, internally and externally in search of information. According to Cohen and Levinthal (1990:128-131), the ability to distinguish relevant data, integrate the data and employ the data commercially depends on the related aspect of the individual's knowledge. When learning and learning abilities are combined with related knowledge, the outcome enables the individual to integrate and maximise information. In this case, management maximised related service knowledge. The management members that established the related service(s) through the skills of a business partner (6%) maximised the organization's resources by utilising the experience of an organisational member to develop the practice. Four percent of management members rationalised that they formed the firm's related services by means of a joint venture. Through a joint venture with an established firm that specialised in related services, the management members could adapt to a changing environment. The joint venture minimises the risk associated with offering a related service with limited experience. The partnering firm ensures that the client of the professional quantity surveying firm receives a quality service. Furthermore, inexperienced staff members

in the professional quantity surveying firm could be exposed to certain characteristics of the specialist services. Three percent of management members reasoned that hiring a specialist reduced the risk of offering related services with limited experience. The added benefit of hiring a specialist is that the hired person works within the firm. In addition, the hired specialist can lead and manage that related service and allow fellow staff members to participate in the delivery of the related service(s). According to Huber (1991:97), grafting occurs when a firm employs an individual with new knowledge, so that the firm is able to acquire knowledge that the company never previously had. The new knowledgeable person can transfer knowledge to other employees. The small percentage (3%) of firms that hire specialist confirms Fong and Choi's (2009:115) research, which found that professional quantity surveying firms do not normally import external knowledgeable people. When new knowledgeable people are imported, the new knowledgeable person is rarely part of the firm's daily service operations (Fong & Choi, 2009:115). In this instance, the hired specialist was only involved with related services. The negative aspect of hiring a specialist is that a hired person is costly and markets are often unpredictable. Acquiring opportunities in the related service market is not guaranteed. Montgomery (1994:172) adds that diversification is not a guaranteed path to organisational success. Ultimately, all the methods used by management enable the firms to diversify into related services.

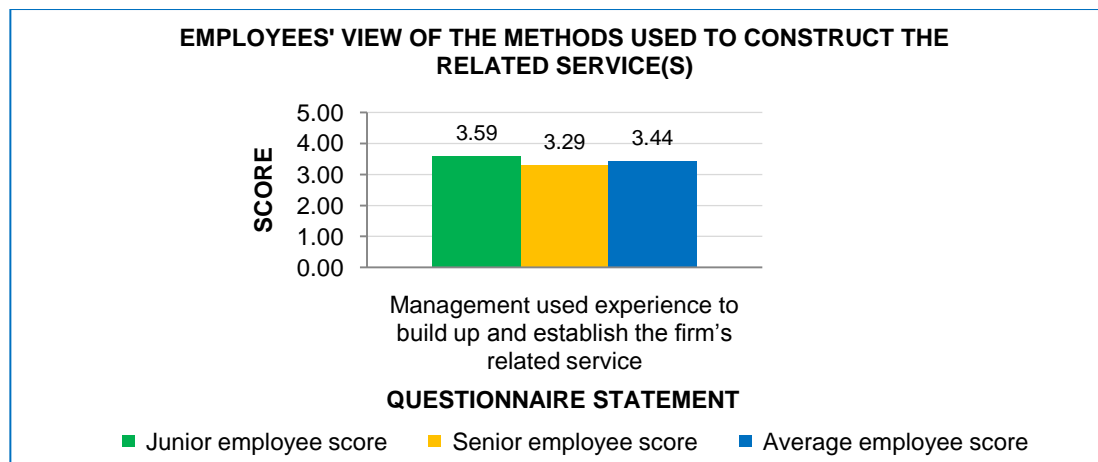


Figure 4.23: Methods used to construct the related services(s)

Table 4.31: Combined scores of the statements from employees for Figure 4.23

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	3.59 out of 5	72
Senior	3.29 out of 5	66
Junior & Senior (average)	3.44 out of 5	69

As shown in Figure 4.23, the combined score of 66 percent indicates that employees in the study are uncertain whether management used experience to establish the firm's related services (see Table 4.31 for the total score of the statement). Like the questionnaire analysis in the previous interview question (interview question 2), most staff members are unfamiliar with the history of the organisation's related services. In the previous interview question, management members primarily planned the development of the firm's related services with a managing business partner. Non-management staff members were not included in the development of related services. Non-management staff members focus on core quantity surveying services. Maister (1993:144) states that management has to allow other employees to learn and develop new skills because learning and developing knowledge is essential for individuals in professional organisations.

4.5.4 What was your (the manager's) role in the development of the related services?

The fourth interview question in the service diversification segment is divided into two main sections, namely, management members that initiated the related services and management members that co-developed the related services. The role of management is explained under the heading of the related service.

Management members that were the initiators of the related service

The management members that initiated the related service were individuals that instigated the idea to offer the related service(s). The initiator of the related service was the driving force behind the development of the related service.

Project management service

Five of the eleven management members (management members C, D, G, I and J) initiated or brought about the idea for the firm to offer project management. Management member "D" wanted to offer the project management service when she established company "D". Management member "D" is the only principle in company "D". Three of the five management members (management members C, I and J) envisaged the idea of offering project management to a business partner. Management member "D" and management member "G" were the sole developers of the firm's project management service. Four of the management members (management members C, D, I and J) saw an opportunity for the firm to venture into

the project management market and pursued that goal, in order to make the related service a reality. The four previously mentioned management members also assisted in carrying out the project management service when the firm had an opportunity to do so.

Value engineering service

Of the seven firms (companies A, B, C, E, G, H and K) that offer the value engineering service, one management member (management member K) initiated the idea for the company to offer the related service. Management member “K” discussed the idea to offer the value engineering service with a business partner. The management member justified the decision to offer the value engineering service by stating that the service had the potential to increase work opportunities for the firm.

Risk management service

None of the management members that were interviewed initiated the idea to offer the risk management service for the firm. Instead, management members co-developed the risk management service with a business partner.

Maintenance management service

None of the management members interviewed initiated the idea to offer the maintenance management service for the firm. The management members that were interviewed co-developed the maintenance management service with a business partner.

Expert witness service

None of the management members interviewed instigated the idea to offer the expert witness service for the firm. Instead, management members co-developed the expert witness service with a business partner.

Property development service

Management member “D” was the sole developer of the property development service, since management member “D” is the only principal in company “D”. The

previous employer of management member “D” had provided a property development service. Management member “D” had been involved in the delivery of the property development service and had gained experience in that field. Management member “D” intended on providing the property development service when she established company “D”, because the property development service could be beneficial to the firm.

Management members that were co-developers of the related service

Co-developers assisted with forming the related service(s). Co-developers did not initiate the idea to offer related services, but co-developers were instrumental in developing the related service(s). A co-developer is also likely to assist in the delivery of the related service.

Project management service

Six management members (management members A, B, E, F, H and K) were co-contributors in the development of the project management service. The six management members did not initiate the idea to offer the related services. The six management members approved the idea and assisted in developing the project management service. Four of the management members (management members A, B, E and H), together with their business partners, discussed and evaluated the resources, needs, potential clients, and market for the project management service. The six management members also determined whether there was a need to upgrade skills, hire or train employees, whether the firm could afford to go into the project management market, and whether the project management service would increase work opportunities for the practice. Management members agreed to offer the service to clients because project management was going to be beneficial for the company.

Value engineering service

Six management members (management members A, B, C, E, G and H) were collaborators in the development of the value engineering service. The six management members discussed which skills were required for the service, which resources were needed, which clients required the value engineering service, and which person would perform the value engineering service for the firm. Management member “A” pointed out that the person that had initiated the idea to provide the

related service had researched the requirements of the related service. Management members, ultimately, discussed the characteristics of the service together. Management member “B” asserted that apart from discussing aspects of the value engineering service, management member “B” approved the idea to offer the related service. Management member “C” supervised and assisted with the development of the firm’s related services because management member “C” wanted the practice to benefit from the service.

Risk management service

Five management members (management members A, B, C, E and G) were mutual contributors to the development of the risk management service. The five management members discussed characteristics of the service, such as the skill requirements of the related service, the resources required to develop the service, which clientele required the risk management service and who would perform the risk management service for the firm. Management member “A” declared that the person that had initiated the idea to provide the related service had had to research the requirements of that service, but both management members of company “A” had discussed the characteristics of the related service together. Management member “B” stressed that apart from discussing the characteristics of the service, management member “B” approved the idea of offering the related service. Management member “C” reported that as a principal of the practice, one had to administer the process and assist in the development of the service because it was beneficial for the practice.

Maintenance management service

Of the four management members (management members A, B, E, and H) that provide the maintenance management service, three management members (management members A, B and E) assisted in the development of the related service. The three management members discussed the various developmental aspects of the related service. Characteristics included which skills and resources were required. Factors such as who would execute the maintenance management service and which clients required the maintenance management service were also discussed. Management member “A” stressed that the person that had initiated the idea to provide the related service was responsible for researching the characteristics of the service. Both the management member and business partner, ultimately, discussed the characteristics of the service together. Management

member “B” asserted that apart from discussing the characteristics of the service, management member “B” had to endorse the service. Management member “H”, together with a business partner, discussed and evaluated the various duties of the service.

Expert witness service

Of the four management members (management members B, C, H, and K) that offer the expert witness service, three management members (management members B, C and H) co-developed the service. Management members evaluated the requirements of the service and discussed which individual would execute the related service for the firm. Management member “B” asserted that apart from discussing aspects of the service, management member “B” also had to agree to include the expert witness service as part of the organisation’s range of services. Management member “C” stated the he had assisted in the development of the related service because he wanted the planning process of the related service to be successful so that the service could benefit the practice. Management member “K” declared that a business partner had performed the expert witness service for a previous employer. The business partner thus initiated the idea to offer the expert witness service. Management member “K” agreed to include expert witness service as part of the organisation’s range of services, since such services could increase work opportunities.

Property development service

Management member “B” co-developed the property development service with a business partner. The business partner of management member “B” proposed that the firm venture into property development. The management members of company “B” discussed which skills were required, which resources were needed, which individuals required the service, and which individual would perform the duties of the service on behalf of the firm. Management member “B” is primarily involved with the administration of the practice. Although management member “B” is the principal of the practice, management member “B” assisted in researching elements of the related service and also provided feedback when characteristics of the service were discussed. Management member “B” also approved the inclusion of the property development service as part of the firm’s broader range of services. Management member “H” discussed offering the property development service with a fellow business partner. Together with the business partner, management member “H”

researched the characteristics of the related service and evaluated which specialist firm company “H” should employ. Management member “H” declared that through the assistance of a specialist firm, company “H” would perform the property development service.

When analysing the role of management in the development of the related service(s), 26 percent of management’s remarks indicated that management members had initiated the idea to offer related service(s). Seventy-four percent of management’s remarks revealed that the idea to offer related service(s) had been initiated by a business partner. Whether management or a business partner had initiated the related service, all management members (except for management members D and management member G) contributed to the development of the organisation’s related service(s). Management member “D” and management member “G” initiated project management services independently. Management member “D” initiated the property development service independently because management member “D” had property development experience. Management member “D” is also the only management member in the practice. In most cases, management acknowledged that the related service(s) could increase work opportunities for the firm. Management members researched which resources were required, the skills needed for the service, whether to hire specialists or upgrade skills, and evaluated the influence that the related service(s) would have on clients. Management members, as highlighted in the previous three interview questions, did not include non-management staff members in the development of the firm’s related services. The inclusion of employees would be an ideal scenario, particularly for firms that support learning and development. A platform to include employees in the development of the firm’s related services would, according to Garvin et al. (2008:111-112), allow for concrete learning processes and practices. Exploring, producing and examining new service markets; collecting information on new technologies, and existing and prospective clients; experimenting; and developing junior staff members and senior staff members; are essential for concrete learning (Garvin et al., 2008:111-112).

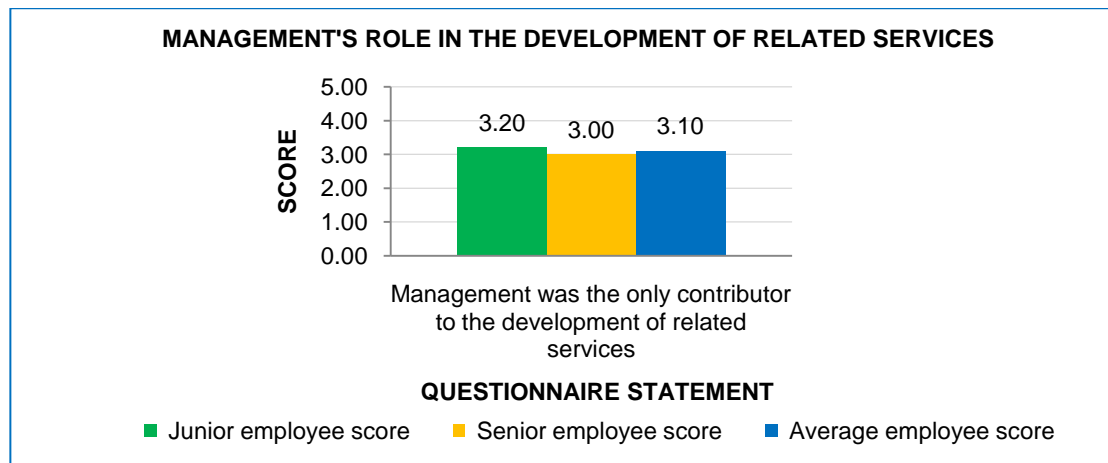


Figure 4.24: Management's role in the development of related services

Table 4.32: Combined scores of the statements from employees for Figure 4.24

Reference: All eleven firms		
Participant(s)	Total score for statements	Rating (%)
Junior	3.20 out of 5	64
Senior	3 out of 5	60
Junior & Senior (average)	3.10 out of 5	62

As illustrated in Figure 4.24, junior staff members and senior staff members in the study are uncertain about whether management was the only contributor to the development of the organisation's related service(s). Junior employees rated this service diversification element at 64 percent (see Table 4.32 for the total score of statements), while senior employees rated the element at 60 percent. The combined scores of employees for this related service element are rated at 62 percent. This rating signifies that employees are uncertain about the development of the firm's related services. The uncertainty of employees is clarified by management members, who revealed that the development of related services was the concern of management and not of other staff members. Only the manager or the management members (a manager and a managing business partner) developed the firm's related services. An opportunity to establish a platform to include employees in the development of the firm's related service has been lost. This development platform would allow employees to learn additional skills. According to Garvin (1993:91), learning can only occur when management openly allocates time and provides staff members with an opportunity to learn. Learning through meetings and teamwork will facilitate interaction and the sharing of ideas throughout the organisation. Garvin (1993:91) concludes that management could establish learning opportunities by setting up a supportive and open learning environment, which will prioritise learning in the organisation.

4.5.5 Have you (the manager) allowed staff members to perform related service offerings? (If so, how has it been done? If not, why?)

The fifth interview question from the service diversification segment is divided into two sections, namely management that enables employees to perform related services, and management that does not enable employees to perform related services. An explanation is provided under the two aforementioned headings.

Sub-section A: Management members that enable staff members to perform related services

Seven of the eleven management members (management members B, C, F, G, H, I and K) indicated that employees were allowed to perform related services. Management member “H” pointed out that an employee’s ability to perform related services was dependent on the number of opportunities that the organisation acquired for that particular related service. Management member “H” stated that if company “H” obtained opportunities in the related services market, then the firm allowed staff members to participate in the duties of that particular service. Management member “H” added that employees that showed potential in the related service field would be given an opportunity to participate in the implementation of the related service. Four of the seven management members (management members B, C, G and I) noted that when staff members were organised into teams for a particular project, be it for core quantity surveying services or related services, then staff members interacted with fellow team members and developed skills for that particular service. The four management members explained that the continuous interaction between senior and junior staff members allowed junior staff members to learn from the mentorship of senior staff members. According to the four management members, junior staff members were able to see how the various activities of the service came together for a particular project. Junior staff members with little experience in that service were exposed to the characteristics of the service through on-the-job exposure and mentoring by senior staff members. Four of the seven management members (management members B, C, G and I) noted that when staff members were organised into teams for a particular project, be it for core quantity surveying services or related services, then staff members interacted with fellow team members and developed skills for that particular service. The aforementioned seven management members (management members B, C, F, G, H, I and K) agreed that learning related services enabled employees to participate and assist in the delivery of that particular service. Three management members

(management members B, F and K) added that the transfer of skills created multi-skilled individuals, which benefited employees.

Most of the seven management members (management members B, C, F, G, H, I and K) explained that when the firm is employed to perform a service, the staff members are organised into a team and each team member contributes to the delivery of that service. When a team is organised to perform related services, the staff members interact with one another and are exposed to all aspects of the related service. The more related service opportunities the company acquires, the more experience employees will gain through teamwork activities. Garvin (1993:91) contends that learning may be achieved by communicating with colleagues through meetings and teamwork, which facilitate interaction and the sharing of ideas throughout the organisation. Employees (companies B, C, F, G, H, I and K) may be able to contribute more to the implementation of the related services when they obtain sufficient experience with that particular service. Exposure to related services enhances the staff members' skills, and this enhancement ultimately benefits the firm.

The negative aspect of only exposing employees to related services when the service is employed by a client is that staff members are not exposed to related services if clients do not regularly employ related services. According to Cohen and Levinthal (1990:128-131), by being involved with routine, analytical or educational activities, a firm can develop absorptive capabilities; these constitute the collective ability of the firm to distinguish, integrate and employ relevant data. In order to develop the absorptive capabilities successfully, the firm must be engaged in the given activity (related service) for a lengthy amount of time. Allowing employees to exploit earlier knowledge for short periods is inadequate (Cohen & Levinthal, 1990:128-131). The positive aspect of management's remarks is that management does not limit employees to core quantity surveying services.

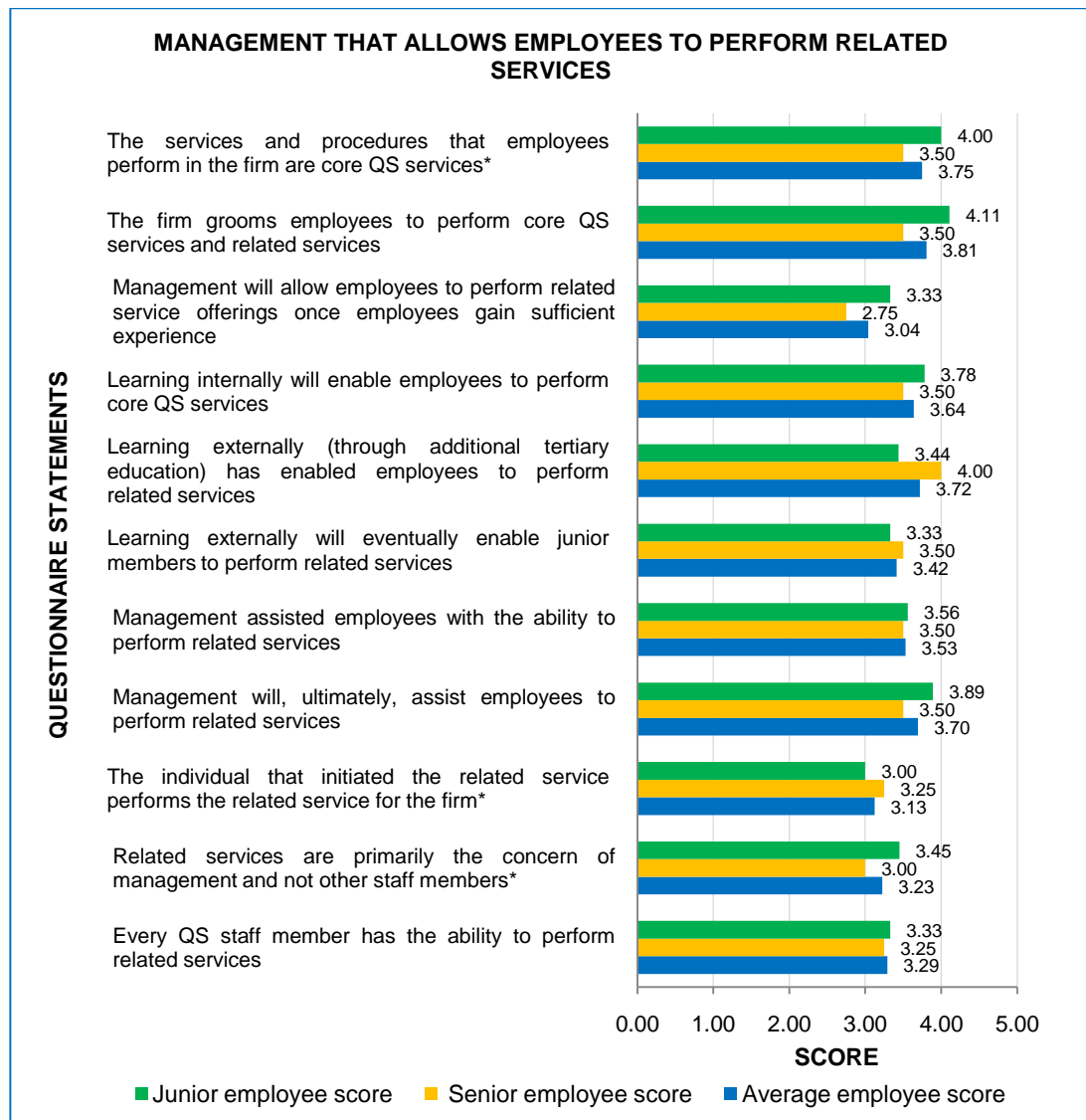


Figure 4.25: Management that allows employees to perform related services

Table 4.33: Combined scores of the statements from employees for Figure 4.25

Reference: Company B, C, F, G, H, I and K		
Participant(s)	Total score for statements	Rating (%)
Junior	37.22 out of 55	68
Senior	35.75 out of 55	65
Junior & Senior (average)	36.49 out of 55	66

As shown in Figure 4.25, employees in the aforementioned seven firms (companies B, C, F, G, H, I and K) agreed with the statement that staff members perform core quantity surveying services within the organisation. Employees agreed that learning within the firm would enable employees to perform core quantity surveying services and that the firm groomed employees to perform all of the company's services. The feedback from employees corresponds with the remarks of management, which stated that staff members were not limited to performing one particular service. All employees were uncertain about related services, especially as to who was responsible for performing related services in the firm. Senior staff members were

certain that the knowledge required to perform related services would be obtained from external learning initiatives. Junior participants, on the other hand, were uncertain whether the knowledge required to perform related services would be developed internally or externally. Employees agreed that management members would assist employees to perform related services. The overall scores of employees indicate that employees are certain about core quantity surveying services, but are uncertain about related service issues (see Table 4.33 for the total score of statements). The certainty about core services implies that staff members predominantly perform core quantity surveying services. The uncertainty about related services reinforces the fact that non-management staff members are not involved with related services matters, since the opportunity to perform related services for a client is scarce. As a result, firms are primarily employed for core quantity surveying services.

Sub-section B: Management members that do not allow staff members to perform related services

Four of the eleven management members (management members A, D, E and J) do not allow employees to perform related services because the firm predominantly performs core quantity surveying services. Three of the management members (management members A, D and J) stressed that there was hardly ever an opportunity to perform related services. The firm of the four management members is best known for offering core quantity surveying services and not related services. The management members declared that other firms specialise in related services. The management members stated that clients tended to go to the firms known to specialise in related services. Management member “J” asserted that company “J” did not penetrate the related service market. Two management members (management members D and E) declared that employees would be included in the delivery of the related services when the opportunities to perform related services became more frequent. The two management members indicated that company “D” and company “E” primarily acquired work opportunities for core quantity surveying services.

Four management members (management members A, D, E and J) do not allow staff members to perform related services since the firm primarily performs core quantity surveying services. Three management members (management members A, D, and J) explained that there were hardly any work opportunities for related services, given that their companies are best known for performing core quantity

surveying services. According to Levinthal and March (1993:102; 107), a challenge to developing new knowledge and skills is that firms tend to naturally develop abilities in certain markets, with certain technologies, and with certain strategies. Firms become involved with activities in which the firm has more competence and consistency (core quantity surveying services), rather than activities in which the firm has less competence and reliability (related services). The current focus of organisations is maintained because the learning that occurs in the firm reinforces existing knowledge. The firm becomes connected to areas of specialty (core quantity surveying services) that immediately benefit the firm's competencies; thus competencies within the firm are strengthened. Reassurances and feedback occur more swiftly with exploitative learning than with explorative learning. Explorative learning can be advanced in the firm by implementing incentive initiatives, adjusting aspects of the organisation, selecting specific projects and, ultimately, changing the way that staff members learn (Levinthal & March, 1993:102; 107).

Management participants acknowledged that there were firms in the construction industry that specialised in related services and, as a result, clients tended to go to these specialist firms for related services. Management members explained that training staff members to perform related services would be unproductive because the firm was mainly employed to perform core quantity surveying services. Management thus focuses the efforts of employees on core quantity surveying services because of the scarcity of related service opportunities. A possible solution to the lack of related service opportunities is the selection of clients and projects. Maister (1993:161) states that the selection of client appointments is an important, if not the key decision that management has to make when developing the human capital of a PSF. A weak reputation in the related service market may also cause a shortfall of client support. According to Greenwood et al. (2005:664), firms transfer reputation when diversifying into related markets. For clients to believe that the organisation is competent throughout the organisation's range of services, the diversified firm must seriously invest in the new services if the firm intends being successful. Firms risk losing the credibility of the "specialist aspect" that is associated with the firm's service offerings. Greenwood et al. (2005:664) explain that this occurs when the firm invests resources in certain service offerings at the expense of the remaining services on offer. Diversification can harm the image of the firm if the firm is only partly committed to organisational services.

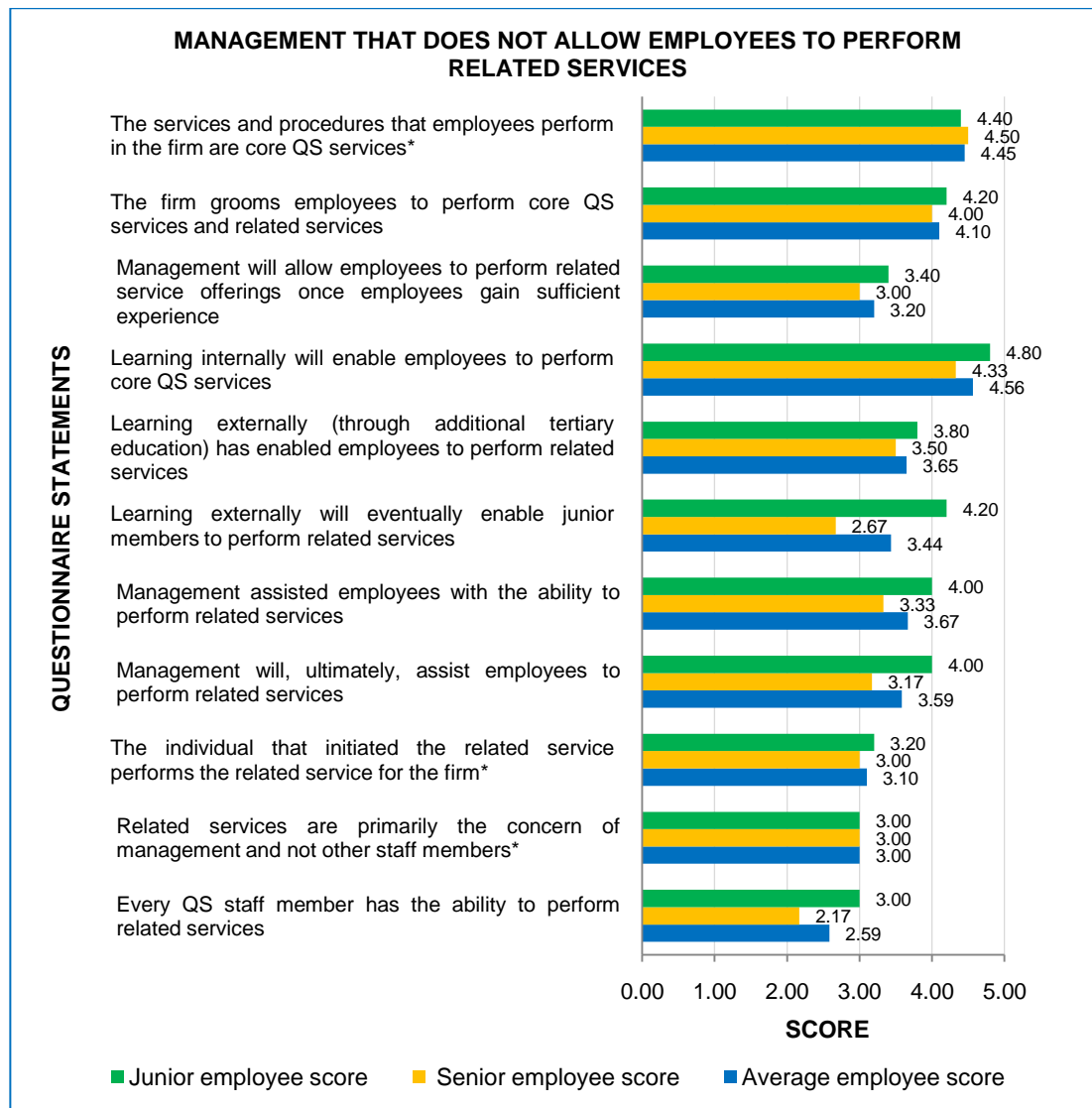


Figure 4.26: Management that do not allow employees to learn related services

Table 4.34: Combined scores of the statements from employees for Figure 4.26

Reference: Company A, D, E and J		
Participant(s)	Total score for statements	Rating (%)
Junior	39.20 out of 55	71
Senior	33.67 out of 55	61
Junior & Senior (average)	36.44 out of 55	66

As illustrated in Figure 4.26, junior participants in the abovementioned four firms (companies A, D, E and J) agreed that the services the junior staff members performed were core quantity surveying services, while senior staff members were certain about this fact. Employees agreed that learning internally would enable employees to perform core quantity surveying services. Staff members in the abovementioned four firms agreed that the firm groomed employees to perform all company services. Staff members are, nevertheless, uncertain whether management will allow employees to perform related services once employees gain sufficient experience with core quantity surveying services. There is a great deal of

uncertainty around related services. Junior staff members are certain that external learning will enable junior staff members to perform related services, while senior staff members are unsure about this issue. This is especially doubtful since all employees initially agreed that the organisation grooms employees to perform all company services.

Senior staff members (companies A, D, E and J) are more uncertain about related services than junior staff members are. Senior staff members are also uncertain whether management will eventually assist them to perform related services. Senior staff members clearly indicated that the ability to perform related services was not shared by all employees. This indication from senior staff members corresponds with the interpretation that management primarily deals with related services when the opportunity to perform related services arises. The lack of employee participation means that employees lose out on a skills development opportunity. According to Maister (1993:159-160), developing additional knowledge and skills takes preference over purely enhancing human capital. Improving an understanding of the client industry and gaining additional capabilities are essential for PSFs. Developing additional skills is often ignored by organisations (Maister, 1993:159-160). The above-average scores of employees are attributed to the employees' certainty about core quantity surveying services, as shown in Figure 4.26 (see also Table 4.34 for the total score of statements).

Summary

In the first scenario (companies B, C, F, G, H, I and K), management members contended that employees were allowed to participate in the delivery of related services. Management members stated that employees could participate in related services when the firm was contracted to perform related services. Regular employment of related services will enable staff members to gain additional skills and improve employees' confidence with such services. In the second scenario (companies A, D, E and J), management members do not allow employees to perform related services because their firms are largely contracted to perform core quantity surveying services. Even though staff members in the first scenario are not restricted from performing related services, the feedback from employees in the first scenario is virtually identical to the feedback from staff members in the second scenario. The combined scores of employees in the two scenarios (sub-section A and sub-section B) confirms this belief. Employees in the first and second scenarios indicated that staff members only performed core quantity surveying services.

According to Maister (1993:161), the selection of client appointments is an important, if not the key decision that management has to make when developing the human capital of a PSF. The best way for management to enhance the capabilities of employees by means of experience, is to select projects that increase the abilities of employees, in addition to exploiting existing abilities. Quinn et al. (1996b:73-74) state that a professional's intellect can be improved by participating in challenging work. The two groups of organisations (sub-section A and sub-section B) appear to focus on exploitative learning. The feedback that arises from exploitative learning is faster and more understandable. The returns of exploitative learning are more optimistic because the outcomes are received earlier than those of explorative learning (March, 1991:73).

The situation in the eleven professional quantity surveying firms deals with Swart and Kinnie's (2010:69-73) exploitative learning and a planned framework category, which aims for staff members to generate expert solutions. Swart and Kinnie (2010:69-73) affirm that exploitative learning combined with a planned framework deals with long-term ventures, where individuals apply traditional procedures to facilitate predetermined solutions. Matzdorf et al. (2000:93) note that professionals need to avoid being trapped in a limited area of specialty, with limited knowledge. Professionals should not be restricted to offering only traditional services, but rather offer additional services that the client may want. Learning related services allows employees to take part in explorative learning. Explorative learning combined with staff members' related knowledge may enable staff members to develop related service skills through an on-the-job experience. Staff members in the two groups of firms (sub-section A and sub-section B) are relatively certain that employees would be groomed to perform all organisational services. According to management, employees would only be groomed to perform related services when clients regularly employ related services. The puzzling aspect of this matter is that management restricts employees from learning project management skills, for example, even though project management can benefit the employees' general quantity surveying abilities.

4.5.6 Do you (the manager) allow staff members to practise related services even when the related services are not employed by a client? (If yes, then explain why? If the response is no, explain why not?)

The final interview question of the service diversification segment is divided into three sections. The three sections include related services are only practised if

employees are capable of performing the related services; related services are practised even when clients do not employ related services; and employees do not practise related services if clients do not employ related services. An explanation is provided under the abovementioned sub-headings.

Sub-section A: Related services are practised if staff members are capable of performing related services

Five practices (companies A, D, F, I and J) allow employees to practise related service. Management members from four of these firms (companies A, D, F and J) declared that elements of project management service were practised by employees, but only if employees were capable of performing these aspects of project management. Management members stated that if staff members had the skills to implement project management techniques, then employees could definitely do these. Management members asserted that there were no restrictions for employees to perform project management on projects, given that employees had management abilities. Management member “I” pointed out that project management techniques were practised in the firm. According to management “I”, integrated elements of project management were incorporated into the core quantity surveying service. Company “I” performed core quantity surveying services when the client requested these. Management member “I” stated that senior quantity surveying staff members are also qualified project managers. Management member “I” explained that junior staff members are mentored by senior quantity surveying staff members on a daily basis. Management member “I” declared that separating the senior staff member’s project management skills from core quantity surveying skills was very difficult because quantity surveying and project management are extremely compatible fields. Management member “I” added that smaller project management functions were likely to be incorporated into the daily work activities of junior staff members, given that senior staff members with project management capabilities mentored junior staff members.

Management members (management members A, D, F, I and J) indicated that staff members were not restricted from using project management skills since staff members had management abilities. The previous research question (interview question 5) revealed that three of the previously mentioned five management members (management members A, D and J) did not allow staff members to perform related services. The remaining two management members (management members F and I) acknowledged that an employee’s exposure to related services

was limited by the scarce opportunities that the firm had for related services. The limited opportunities may be attributed to the weak reputation that firms have with related services, since professional quantity surveying firms tend to be primarily known for the quantity surveying service. According to Greenwood et al. (2005:664-665), firms transfer reputation when diversifying into related markets. A critical factor is whether clients and staff members view the diversified services as genuine, regardless if linkages between service offerings are explicit or implicit. For clients to believe that the organisation is competent throughout the organisation's range of services, the diversified firm must seriously invest in the new services if the firm intends being successful. Greenwood et al. (2005:664-665) affirm that firms risk losing the credibility of the "specialist aspect" that is associated with the firm's service offerings, which occurs when the firm invests resources in certain service offerings at the expense of the remaining services on offer. The two management members (management members F and I) conceded that if employees learned project management skills or if employees had the confidence to implement project management techniques, then staff members might incorporate the techniques into the firm's core quantity surveying services. The situation in the abovementioned five firms may enable employees to learn by experimentation. By experimenting, employees systematically explore and test new and alternative knowledge (Garvin, 1993:81-87). As a precaution, experienced staff members check the work activities of inexperienced employees until members acquire sufficient experience.

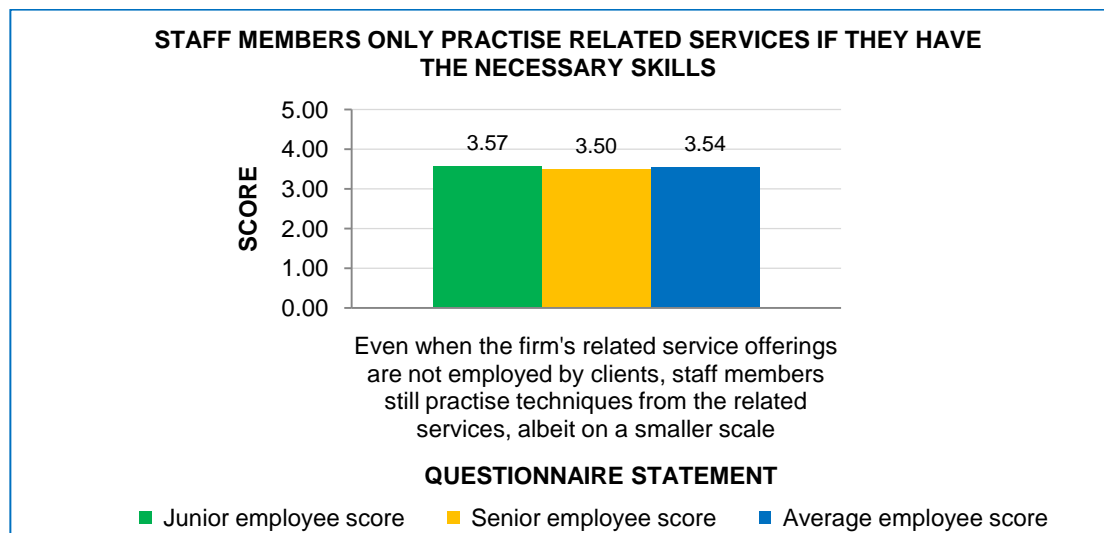


Figure 4.27: Related services are only practised if employees have the necessary skills

Table 4.35: Combined scores of the statements from employees for Figure 4.27

Reference: Company A, D, F, I, and J		
Participant(s)	Total score for statements	Rating (%)
Junior	3.57 out of 5	71
Senior	3.50 out of 5	70
Junior & Senior (average)	3.54 out of 5	71

As shown in Figure 4.27, employees in sub-section A (companies A, D, F, I and J) utilise techniques from related services, even when related services are not employed by clients. The related service techniques are implemented in an integrated manner and are small in terms of scope. The integrated related service techniques are likely advanced core quantity surveying techniques or cost management techniques. The techniques are extracted from the management field and, ultimately, form part of core quantity surveying services, given that management forms part of the quantity surveying curricula (see Appendix A). The combined score of employees in sub-section A is rated at 71 percent (see Table 4.35 for the total score of the statement), which is a relatively confident score. This combined score is ranked second out of the three groups of firms in this sub-section.

Sub-section B: Related services are practised even when clients do not employ related services

Four of the eleven management members (management members B, C, H and K) declared that employees practise related services such as project management even when clients did not employ the project management service. The four management members explained that the company incorporated a project management package in the core quantity surveying service to improve the quality of the core quantity surveying services. Management members stated that the integrated project management component also acted as a marketing tool for the firm since clients benefited from the project management component. Management member “K” added that the firm integrated a project management component because the firm wanted to ensure that the construction project was going to be a success. According to management member “C”, there are numerous occasions where the designer or the engineer of the project is not interested in being the project co-ordinator. In some instances, the designer or engineer is not effective enough to be the project co-ordinator of the project. When this occurs, company “C” performs the project management role for the client. Management member “C” added that providing a client with an excellent service increased the possibility that the firm could acquire a further opportunity from that client.

Four management members (management members B, C, H and K) specified that an integrated project management component enhanced the quality of the firm’s core quantity surveying service. The management members added that the project management element also acted as a marketing tool for the firm. Management

members in this sub-section declared in the previous question (interview question 5) that management allowed staff members to perform all aspects of the related services, but only when the firm was contracted to perform that service. Opportunities to perform the project management service were limited, since clients hardly employed the firm for related services. Similar to sub-section A, the reputation of the firm's related service may be weak; hence the lack of related service opportunities. Greenwood et al. (2005:664) contend that firms transfer reputation when diversifying into related markets. For clients to believe that the organisation is competent throughout the organisation's range of services, the diversified firm must seriously invest in the new services if the firm intends making that service a success. Management members explained that if staff members were capable of performing certain project management techniques, then staff members could incorporate minor project management components into the organisation's core quantity surveying services. Learning new skills and gaining experience by applying the new skills thus becomes an essential task for employees in professional quantity surveying firms. Maister (1993:149; 155) declares that developing technical skills is a small requirement to sustain a professional career. This is critical because the volume of tacit knowledge obtained from limited routine activities diminishes over time. The ability to produce fresh knowledge is reduced when individuals are involved with routine activities (Nonaka, 1994:21-22).

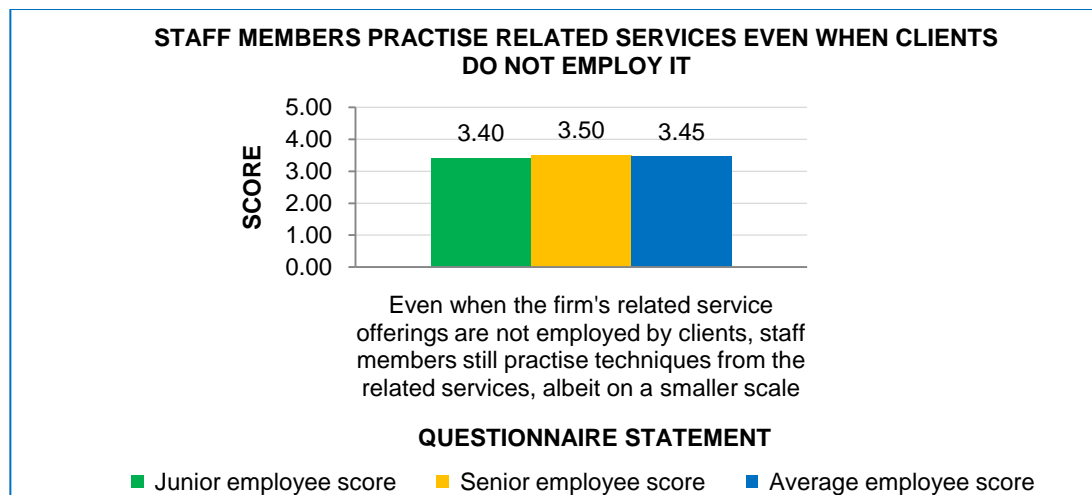


Figure 4.28: Related services are practised even when clients do not employ them

Table 4.36: Combined scores of the statements from employees for Figure 4.28

Reference: Company B, C, H and K		
Participant(s)	Total score for statements	Rating (%)
Junior	3.40 out of 5	68
Senior	3.50 out of 5	70
Junior & Senior (average)	3.45 out of 5	69

As seen in Figure 4.28, junior participants in sub-section “B” were uncertain about practising related services, while senior participants signified that they did practise related services even when clients did not employ related services. Practising and applying aspects of related services is vital for gaining additional knowledge and skills. Broadening one’s knowledge and skills takes precedence over enhancing human capital. Gaining additional capabilities is essential for PSFs (Maister, 1993:159-60). The combined rating given by employees for sub-section B is 69 percent (see Table 4.36 for the total score of the statement), which suggests that staff members are uncertain about practising related services.

Sub-section C: Employees do not practise related services if clients do not employ related services

The remaining two management members (management members E and G) affirmed that staff members did not practise related services such as project management if the client had not contracted the firm for that particular service. Management member “G” acknowledged that if the client employed company “G” for the project management service, then company “G” would perform project management for the client. Management member “E”, on the other hand, asserted that company “E” did not practise related services or train staff members to perform related services. Management member “E” stated that the opportunity to perform related services for a client arose occasionally. Management member “E” indicated that company “E” primarily focused on core quantity surveying services because clients regularly employed core quantity surveying services.

Management members in sub-section “C” preferred employees to focus on core quantity surveying services, given that clients regularly employed company “C” for core quantity surveying services. From a management perspective, focusing on core quantity surveying services may be practical, since the organisation has to invest the time and talents of employees into a service that is more likely to be employed by clients. Nevertheless, by limiting employees to core quantity surveying services, management denies employees an opportunity to learn other specialist skills that may benefit employees when employees perform core quantity surveying services. A firm can also better adapt to market changes and new client requirements if professionals in the firm are trained to have a diverse set of skills (Kaiser & Ringlstetter, 2011:100-101). Indeed, one of a professional’s assets is knowledge and skills. Professionals trade knowledge and skills. When knowledge and skill

assets are not developed, the resource quickly depreciates and can become obsolete (Maister, 1993:144).

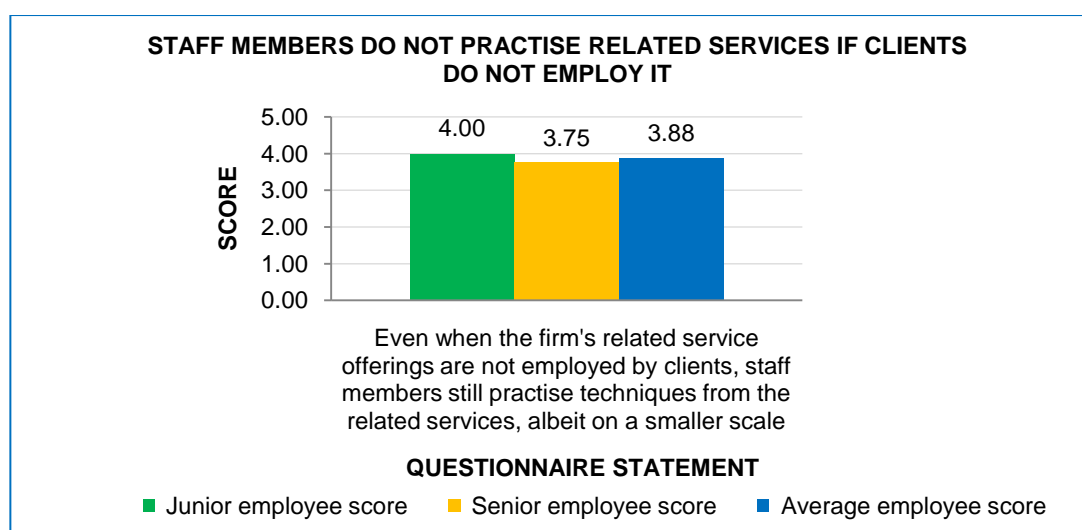


Figure 4.29: Staff members do not practise related services if clients do not employ it

Table 4.37: Combined scores of the statements from employees for Figure 4.29

Reference: Company E and G		
Participant(s)	Total score for statements	Rating (%)
Junior	4 out of 5	80
Senior	3.75 out of 5	75
Junior & Senior (average)	3.88 out of 5	78

As shown in Figure 4.29, employees in sub-section C practise related services even when clients do not employ related services, albeit on a smaller scale. Junior staff members rated this element at 80 percent (see Table 4.37 for the score of the statement), while senior staff members rated the element at 76 percent. The combined score of employees for this element is rated at 77 percent, which is the highest out of the three groups in this sub-section. This suggests that certain project management techniques are, quite likely, incorporated into the organisation's core quantity surveying service, given that employees specified in the previous question (interview question 5) that staff members primarily performed core quantity surveying services. Nonaka (1994:21-22) states that the volume of tacit knowledge obtained from limited routine activities diminishes over time. This happens because an individual's creativity and ability to produce fresh knowledge are reduced by routine activities. Swart and Kinnie (2003:63) acknowledge that when an individual is busy with a routine, the person concentrates on the outcome of the activity and not the method of execution. This highlights the importance of variation in terms of tasks and services.

Summary

From a management perspective, employees in the eleven practices are not trained to perform related services because related services are hardly ever employed by clients. Investing human resources in training initiatives for related services may prove to be unproductive. Almost all of the eleven firms were unable to penetrate the related service market. The reason for this is that firms lacked strategic elements, and this stymies firms from making a success in the chosen markets as denoted by Markides (1997:95-99). Firms, ultimately, transfer reputation when diversifying into related service markets. For clients to believe that firms are competent throughout the firm's range of services, the firm must seriously invest in the new services if the organisation intends to become successful in the new service market. An organisation needs to have an equally invested diversification portfolio rather than merely a collection of related services offerings (Greenwood et al., 2005:664-65).

In most instances, staff members practise small aspects of the project management related services. The minor and integrated project management techniques form part of the core quantity surveying service. The management subject matter forms part of the quantity surveying curriculum at university. Practical experience with implementing management techniques at a professional level is important because institutional knowledge is reinforced when the knowledge is put into practice. The benefit of this is that tacit knowledge can be gained through a shared experience or by an action-oriented activity with other staff members (Nonaka & Takeuchi, 1995:8; Swart & Kinnie, 2003:63). If employees are capable of implementing techniques from project management, then employees may do that. Employees may integrate project management techniques into core quantity surveying services, given that they can enhance the quality of core quantity surveying activities. Matzdorf et al. (2000:93) affirm that professionals should avoid being trapped in a limited area of specialty with a limited set of knowledge. Management should endeavour to develop an employee's related service skills, given that related service skills form part of the competencies outlined in Appendix B.

Levinthal and March (1993:102) state that the challenge in developing new knowledge and skills is that organisations tend to develop abilities in certain markets, with certain technologies, and with certain strategies. Organisations become involved with activities in which the organisation has greater competence and consistency, as opposed to activities in which the organisation has less competence and reliability. The firm becomes connected to areas of specialty that

immediately benefit the firm's competencies, and these particular competencies within the firm become strengthened. Swart and Kinnie (2003:63-64) denote another negative aspect, namely, that technical tacit knowledge can only be instilled via a shared experience or by an action-oriented activity with another staff member. A lack of training in related services suggests that employees are only able to apply a restricted facet of the related service in daily work activities. Furthermore, in terms of projects or scope of work, most firms appear to fall into the experience-based category (Maister, 1993:21-24) of professional service firms.

4.6 Chapter summary

Organisational culture

Junior staff members generally find the work environment (and management members) more supportive when their comments are compared with the feedback given by senior staff members. Staff members in an environment where management has a formal work relationship with employees received the lowest rating from employees for the organisational culture section out of the three types of work relationships. Staff members in an environment where management has an informal work relationship with employees received the second highest rating from staff members for the organisational culture section out of the three types of work relationships. Staff members in an environment where management has a combination of an informal work relationship and formal work relationship with employees, received the highest rating for the organisational culture section out of the three types of work relationships.

Despite this, management in the eleven firms regularly provide employees with support in the organisation's culture, which improves the employee's attitude and the level of commitment at work. Maister (1993:207) notes that the factors differentiating successful professional practices from ordinary practices are factors such as commitment, energy, enthusiasm, and motivation among employees. Garvin et al. (2008:110-111) contends that a supportive work environment is one of the essential tools for reinforcing learning in the workplace. Within some of the eleven organisations, management members encourage employees to provide input and to participate in teamwork, while in other firms, management is open to employees that want to show initiative and provide input. Showing initiative may lead to more responsibility, where Herzberg (1987) indicates that gaining more responsibility is an important motivating factor that can lead to employee satisfaction. Several management members and experienced staff members are also accessible should less experienced employees

require advice. Providing employees with access to knowledge resources is an essential component of a supportive learning culture. Management members also regularly discuss problems and disagreements with employees. Direct support from management is vital, since failure by management to interact with employees can lead to a decrease in employee support within the firm (Ivancevich et al., 2008:130). Accessibility enables staff members to regularly participate in teamwork activities, where experienced employees mentor inexperienced employees. Through teamwork activities, mentoring, and the application of work activities, the inexperienced staff members acquire tacit knowledge. According to Garvin (1993:81-87), learning from employees at work is a significant tool for organisations in support of learning. Transferring knowledge and sharing ideas with colleagues amplify the ideas of individuals.

Employees in the eleven practices rated the organisational culture segment the highest out of the three sections of the study. The high rating means that employees are generally satisfied with the elements in the organisation's culture, which is vital for management members that want to maintain a supportive culture. Maintaining supportive elements is important for employee growth and development. Herzberg (1987) states that employee development is a crucial motivating factor that can lead to employee satisfaction in the workplace. A positive learning environment, coupled with support from management, can enable the firm to maintain a productive learning standpoint (Srivastava & Frankwick, 2011:161). A culture is a particularly important element for maintaining a high consistency at work (Weick, 1987:123-124), given that professionals practise high reliability with work activities (Quinn et al., 1996b:72). Management members that are proactive and enable employees to have greater participation in the firm receive a higher average score from staff members, as opposed to management members that are inactive and uninterested in the development of employees.

Learning and the development of knowledge

Staff members in an environment where management has a formal work relationship with employees received the highest ratings from employees for the learning and the development of knowledge section out of the three types of work relationships. Staff members in an environment where management has an informal work relationship with employees and where management has a combination type of work relationship with employees are tied in second place for the learning and the development of knowledge section.

Even so, almost all management members formally discuss development and performance issues with employees on an annual basis to ensure that employees are developing. Discussions require communication between management and employees. Matzdorf et al. (2000:107) state that communication is an essential component of staff member development, organisational development, and strategy implementation. Management members also discuss lessons from ongoing and completed projects with employees, although discussions are generally accomplished in an informal manner. According to Garvin (1993:81-87), organisations should record the lessons that were learned from failures and successes and make this information available to all staff members. The availability of the information is particularly important for organisations that facilitate and support learning. Maister (1993:207) contends that good managers develop the abilities of individuals in order for the collective group to become highly skilled. Internal learning initiatives primarily occur through on-the-job training, while a few firms provide employees with an additional weekly training programme. Most management members also provide employees with resources to develop externally.

Despite that, learning initiatives within firms are limited, owing to the lack of time that management provides for internal learning activities. Garvin et al. (2008:111) assert that time is a critical factor for supportive learning organisations, because an allowance of time enables employees to review actions and extract lessons from work activities. Tainio et al. (2001:428) affirm that management can significantly encourage or discourage learning. Learning can only occur if management allocates time and gives staff members the opportunity to learn (Garvin, 1993:91). Maister (1993:208) and Hamel and Prahalad (1994:123) state that urgent issues within firms regularly take priority over organisational development issues. Learning initiative are essential for employees, given that Levinthal and March (1993:106) declare that the standard performance of employees is generally increased when employees participate in learning activities. A positive factor is that management finds it important to vary the activities of employees and to vary the complexity of these activities. Different tasks and increasing the complexity of activities may enable employees to develop skills. Levinthal and March (1993:106) assert that developing knowledge and skills is necessary for maintaining a high standard of work. Management members regularly share their work experience with employees and encourage employees to share knowledge with one another. Various knowledge resources can be accessed when individuals are encouraged to share personal experiences within the group (Friedman, 2001:399).

Employees in the eleven firms rated the learning and the development of knowledge segment the lowest out of the three sections of the study. The weaker scores of the learning and the development of knowledge section can be attributed to the limited methods of learning, and the lack of consistency with supportive learning initiatives. The level of support from management can influence an employee's decision to remain with or depart from the practice (Taylor, 2003:36). Managers should, endeavour to capture the minds and hearts of all intellectual people in the workplace, and not just the technical abilities of staff members (Bartlett & Ghoshal, 2002:41).

Service diversification

Management members in the eleven firms primarily reasoned that related services were developed because there was a need for the services. Other reasons for offering related service were that management members wanted to expand and offer a range of services to clients. To accomplish an expansion of services, a majority of management members planned to develop the related service(s) with a managing business partner. Owing to this business-oriented rationalisation to offer related services, management members never considered employees' development as part of their reason to provide related services. Employees were also excluded from the development and establishment phases of the firm's related services. Ramanujam and Varadarajan (1989:525-526) state that firms should focus on the capabilities of the organisation when implementing strategic initiatives, but management members in this study focused on the needs of the business. Prahalad and Hamel (1990:81-82) indicate that diversification can be directed by the core competencies of the firm and not simply by the appeal of the chosen market. Bartlett and Ghoshal (2002:36), who contend that strategic objectives should consider the individuals at the bottom of the hierarchy, reinforce this concern. Limiting strategic initiatives to the management level underpins Murphy's (2012) conclusions, which indicate that the principal of the practice is normally responsible for planning strategies in single-entity professional quantity surveying practices.

Even though related services form part of the eleven firms' service portfolios, employees are seldom exposed to related services because clients rarely employ firms for related services. Firms transfer reputation when diversifying into related markets. According to Greenwood et al. (2005:664), for clients to believe that the organisation is competent throughout the organisation's range of services, the diversified firm must seriously invest in the new services if the firm intends being successful. Firms risk losing the credibility of the "specialist aspect" associated with the firm's service

offerings, which occurs when the firm invests resources in certain service offerings at the expense of the remaining services on offer. Greenwood et al. (2005:664) specify that diversification could harm the image of the firm if the firm is only partly committed to organisational services. The lack of serious investments in related services means that firms rarely receive opportunities for related services, and that employees do not receive any training or practical experience in related services. This is unfortunate since Maister (1993:159-160) says that developing additional knowledge and skills takes preference over purely enhancing human capital. Maister (1993:159-160) asserts that improving an understanding of the client industry and gaining additional capabilities are essential for PSFs. Developing additional skills is, nonetheless, often ignored by organisations.

Finally, employees in the eleven firms rated the related services diversification section the second most satisfying of the three sections. This is due to the lack of employee inclusion in the planning phase and the development phase of the firm's related services. The lack of related service opportunities and subsequent lack of training and exposure to related services also constitute some of the reasons why the service diversification section received such middling scores from employees.

CHAPTER 5

RESEARCH OBJECTIVES REVISITED; LIMITATIONS; SIGNIFICANCE; RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

This chapter finalises the study. The first chapter provided the rationale for the study and introduced key elements of the research, which were reviewed in the second chapter. The third chapter provided crucial guidelines on the processes through which the aim of the study could be realised. In chapter 3 primary data collection instruments were developed. The data obtained from the collection process was analysed in the fourth chapter and used to address the research objectives in this chapter. Through the course of the research, certain limitations and significances were realised and discussed later in this chapter. This chapter also generates recommendations from the analysed data and the revisited research objectives. A conclusion completes the chapter.

5.2 Revisiting the research objectives

The objectives of the research endeavoured to satisfy the research question and, ultimately, the aim of the study. The research question posed was: What strategic role does management play in the organisation's culture to support the development of knowledge leading up to the development of related services and skills in professional quantity surveying practices in South Africa?

5.2.1 To determine the strategic role of management within professional quantity surveying practices from a supportive learning culture perspective

Staff members in an environment where management has a formal work relationship with employees gave the organisational culture component the lowest rating out of the three types of work relationships in this study. The organisational culture section is, nonetheless, the strongest performing sector of the formal work relationship. The weaker performing cultural elements associated with the formal work relationship are that employees are regularly criticised for making mistakes (but to a lesser extent than in the informal work relationship). Employees have to occasionally refrain from venturing an opinion (but to a lesser extent than in the other two types of work relationships), and work procedures are standardised and sometimes inflexible (but to a lesser extent than in the other two types of work relationships). The remarks of management members in the formal work relationship

indicate that they sometimes encourage employees to provide input, but rarely encourage employees to show initiative. The weaker performing cultural elements of the formal work relationship emphasise the areas in the organisation's culture that management members neglect to some degree. The stronger performing cultural elements associated with the formal work relationship are that management interacts with employees, and that it is easy for employees to access management. Management often discusses work-related problems, enables employees to do challenging work, takes an interest in the careers of employees, and supports the efforts that employees exert on activities. In addition, management in this work environment considers the job satisfaction of employees, sometimes encourages employees to provide input, and regularly encourages collaboration with work activities. The stronger performing cultural elements in the formal work relationship are the areas where management provides a sufficient level of support within the firm. Management members that have a formal work relationship with employees place a greater emphasis on providing employees with more flexibility in work activities. Job satisfaction, professional development, showing appreciation to employees, and encouraging teamwork are also given more consideration by management than other cultural elements in the formal work relationship setting. The level of interaction between management and employees, appreciation of one-on-one communication, and the ability to voice one's opinions are ranked lower in the formal work relationship than in the other two types of work relationships. Management is stricter in the formal work environment and tends to focus more on fulfilling an administrative role than a supportive one. Overall, the organisation that has a formal work relationship between management and staff members generally provides employees with an acceptable amount of support. The strategic role of management within the formal work relationship setting is not as effective as the role of management in the other two types of work relationships. Because of this, the formal work relationship setting creates the least supportive learning culture for employees of the three types of work relationships in the study.

Staff members in an environment where management has an informal work relationship with employees receive the second highest rating from staff members for the organisational culture section, when considering all three types of work relationships. As with the formal type of work relationship, the organisational culture section is also the strongest performing sector of the informal work relationship. The weaker performing cultural characteristics associated with the informal work relationship is that employees are regularly criticised for making mistakes (even more so than in the other two types of work relationships), employees sometimes

have to refrain from expressing an opinion (even more so than in the formal type of work relationship), and work procedures are standardised. The remarks of management members indicate that they do not encourage, but welcome employees that want to show initiative, do not really take a direct interest in the careers of employees, and hardly ever encourage employees to provide input. The weaker performing cultural characteristics of the informal work relationship signify the areas in the organisation's culture where management members are lagging in organisational support. The stronger performing cultural characteristics of the informal work relationship are face-to-face communication, interaction, and access to management. Employees can regularly take on challenging work activities and can be independent in the workplace. Management often considers the job satisfaction and professional development of employees, and management often shows support for the efforts that employees exert on activities. Individuals are also eager to share insights about the methods used to perform work activities. The remarks of management signify that they often encourage teamwork in the firm. The stronger performing cultural elements indicate the areas where management members are providing employees with a satisfactory level of organisational support. Management regularly discusses problems with employees, but to a lesser extent than the management members in the other two types of work relationships. Employees are also able to approach work procedures from an individual perspective. Management members that have an informal work relationship with employees place a greater emphasis on communication, interaction, enabling employees to be independent, showing appreciation towards employees, teamwork, and creating an environment where individuals often share insights about work procedures. The strategic role of management is less effective with employees' careers and professional development, guiding employees at work, and discussing problems. Elements like allowing employees to do challenging work and allowing them to approach work from employees' own perspectives are somewhat neglected when compared with the other two types of work relationships. The strategic role of management in the informal work relationship is superior to the other two types of work relationships when considering face-to-face communication and interaction between management and employees, and enabling employees to be independent. The informal type of work relationship generally provides employees with the second best support out of the three types of work relationships in this study.

Staff members in an environment where management has a combination of an informal work relationship and formal work relationship with employees received the highest rating from employees for the organisational culture section, when

considering the three types of work relationships in this study. The organisational culture section is the best performing sector for the combination type of work relationship out of the three sections of the study. The weaker performing cultural elements associated with the combination type of work relationship is that employees are regularly criticised for making mistakes, employees sometimes have to refrain from expressing opinions (more so than in the formal work relationship), employees depend primarily on colleagues for guidance (more so than in the other two types of work relationships) and work activities are mostly standardised. The remarks of management indicated that management members occasionally encourage employees to provide input, but seldom encourage employees to show initiative. The weaker performing cultural elements indicate the areas in the organisation's culture that management members neglect to some degree. The better performing cultural elements of the combination type of work relationship are that management regularly values face-to-face communication, is accessible to employees, and frequently discusses problems and disagreements with employees. Employees can do additional challenging work and are able to approach work from their own perspective. Management often considers the job satisfaction of employees and takes an interest in the professional development of employees. Individuals are often open to alternative methods of working and employees are eager to share insights about work procedures. Management members often show support for the efforts that employees exert on activities and regularly encourage teamwork in the office. Face-to-face communication, interaction between management and employees, access to management for concerns, job satisfaction and taking an interest in the careers of employees, are cultural elements that are given high scores by employees. The superior performing cultural elements signify the areas where management members provide an adequate level of support. Management members in the combination type of work relationship are more available to employees and provide employees with more freedom and flexibility in work activities. Management members provide a reasonable level of support for the needs of employees, employees' ability to participate in the firm, showing appreciation to employees, and maintaining an environment where individuals are eager to share insights. The strategic role of management is, ultimately, more effective in the combination type of work relationship, given that management is more consistent in terms of support, especially where communication, interaction and discussing issues are concerned. The firms that have a combination type of work relationship between management and staff members generally provide employees with the most support.

Management members in the eleven firms generally provide employees with a reasonable level of support in the organisation's culture. Management's support may strategically influence learning and the development of skills. Employees give elements like interaction between management and employees, discussing work-related problems with management, employees' ability to do challenging work, and management's consideration of the job satisfaction of employees, acceptable scores. Staff members also give elements like management's consideration for the professional development of employees, employees' ease of access to management, and management's showing appreciation for the efforts that employees exert on activities, acceptable scores. Additionally, employees award reasonable scores to elements like management's encouraging teamwork, management's encouraging employees to approach work from employees' own perspective, and the eagerness of employees to share insights about work procedures. Reasonably strong ratings from employees may influence their level of satisfaction and level of commitment at work. Elements with a lower level of support such as an employee's ability to provide an opinion, using alternative methods to complete activities, and the standardisation of work activities, limit employee participation and motivation in the practice to an extent. Most cultural elements were given an acceptable rating, which signifies that management is somewhat consistent throughout the organisation's culture. Mostly optimistic feedback implies that management fulfils an effective strategic role in the organisation's culture. Regular support from management may sustain a supportive learning environment.

5.2.2 To determine management's influence on the development of knowledge through the learning mechanisms in the organisation's culture

Staff members in an environment where management has a formal work relationship with employees received the highest overall ratings for the learning and the development of knowledge section out of the three types of work relationships in this study. The weaker performing learning and the development of knowledge elements associated with the formal work relationship are that management sometimes discusses individual progress and sometimes discusses the lessons learned from completed and on-going projects. Management sometimes allocates employees a period to learn and sometimes assists employees with resources to develop professionally. Employees also have occasionally to search for information independently and sometimes have time to share knowledge with one another. A concern is that pressing work issues regularly take priority over learning and development issues. The remarks of management indicated that they sometimes

discuss the lessons from projects on a formal and informal basis. Some management members have arranged internal weekly training programmes for employees, but learning primarily occurs through on-the-job training. The stronger performing organisational learning elements associated with the formal work relationship is the encouragement from management for employees to develop new skills, to approach tasks from their own perspective, for employees to do different and challenging work activities, and to share knowledge with less experienced staff members. Employees also set aside a period to share knowledge, should a colleague require advice. Encouraging remarks from management indicate that management discusses an employee's individual progress, provides employees with funding, and encourages external learning activities. Management members in the formal work relationship influence employees by creating an environment where individuals are eager to share work discoveries and knowledge with one another. Many learning mechanisms like reviewing lessons from projects, providing time for learning, providing internal training and external learning activities, providing employees with advice, and sharing knowledge, are not utilised effectively within firms. The previously mentioned factors are given average ratings by employees because pressing work-related issues take priority over learning-related elements. Management's influence on the development of knowledge in the formal work relationship setting is not effective, owing to the many average-rated learning mechanisms in the organisation's culture.

The environments where management maintains an informal work relationship with employees and where management maintains a combination type of work relationship with employees, are ranked second best, in terms of support for learning and the development of knowledge. The weaker performing learning and the development of knowledge elements associated with the informal and combination type of work relationships are designated by the average ratings given by employees for management's discussing the individual progress of employees, encouraging employees to develop new skills, and for employees to approach tasks from employees' own perspectives. Employees awarded average scores to elements like allocating employees a period to learn internally, assisting in the training of employees, allocating employees a period to learn externally, and providing employees with resources to develop new skills. Management members in the two groups of firms promote an environment where the lessons learned are discussed with employees, employees occasionally search for information independently, and individuals sometimes have time to share knowledge with one another. Another poor performing element is that pressing issues regularly take

precedence over learning and development matters. The learning and the development of knowledge elements that make the formal work relationship superior to the informal work relationship and the combination type of work relationship, are that management regularly discusses individual development progress with employees, encourages employees to gain new skills, and encourages employees to approach work from employees' own perspectives. Management in the informal and combination type of work relationship provide employees with fewer learning opportunities and less encouragement to develop professionally. Learning is largely accomplished through on-the-job training and informal discussions. Few firms in informal and combination type of work relationship have a formal weekly training programme or regular formal discussions about individual progress. Management members in these two groups of firms have a more indirect influence on employee learning and development. Management in the two groups is not very proactive in employee learning initiatives. A basic level of support for learning appears to be present within these two groups of practices, given that employees rated many learning mechanisms within the firm at an acceptable level.

In most of the eleven firms, management members make an effort to increase the learning and development of knowledge initiatives of employees. Management accomplishes this by occasionally encouraging employees to develop professionally, to explore their skills, approach work from their own perspective, and to assist with the mentoring of staff members. Management promotes an environment where employees regularly pursue different and challenging tasks, and where employees are willing to share knowledge with fellow staff members. Employees are also eager to discuss new work-related discoveries with one another and employees regularly share knowledge when a colleague requires advice. Management's influence is less effective in areas such as discussing an employee's progress and professional development, discussing the lessons learned from projects, allocating time for internal learning activities, and providing staff members with resources for external learning activities. Management occasionally provides employees with support in the form of encouragement. Given that pressing issues frequently take priority over learning and the development of knowledge initiatives, staff members sometimes do not have time to share knowledge with colleagues. The elements that occur infrequently, apart from providing staff members with resources for external learning activities, are all time-related learning elements. The priority given to pressing issues can compromise the effectiveness of the learning process and cause employees to build weak mental models, since the main objective of pressing work activities is to complete the activity. Therefore, factors like

intuition, interpreting work objectives, integration, institutionalisation, questioning the methods required for the activity, exploring alternative techniques, linking past and present actions of the activity, and ultimately, reinforcing one's skills with the activity, are prolonged, since the aforementioned processes require sufficient time and not urgency. A work environment where pressing issues become customary is especially unconstructive for junior employees.

Another concern is that the learning and the development knowledge sector is the weakest performing sector in this study. This implies that the learning initiatives established by management for on-the-job training (the main learning component in firms) are not very effective. Weekly training programmes are also appear to be an ineffective internal learning initiative, since the staff members that have both formal weekly training programmes and on-the-job training gave the same rating as employees that only learn through on-the-job training. Factors such as the lack of time for effective learning and effective formal training initiatives are a concern, given that the two factors are opportunities for employees to gain knowledge and interact with colleagues and management members. The learning and development of knowledge mechanisms are not very effective when considering the eleven firms collectively. The learning opportunities and learning processes may be hindering employees and management from maximising the supportive learning mechanisms that are established within most firms. Management regularly encourages employees to develop professionally and share knowledge with one another, but the platforms by which the two aforementioned activities are implemented, are not used effectively. The lack of time management within organisations hampers the learning and skills development opportunities of employees. The low score awarded to the learning and the development of knowledge section, when compared with the other two sections of the study, can be attributed to the fact that there are too many occasions where staff members rate learning mechanisms as tolerable. Consequently, management has a rather mundane influence on the firm's learning mechanisms. Management retains a basic level of consistency and support for learning in most firms, while a few firms perform slightly better where these characteristics are concerned.

5.2.3 To determine management's involvement in the establishment of related services leading up to the establishment of related service skills among staff members

The circumstances surrounding related services appear to be similar across the various forms of work relationships that exist between management members and employees. Only a few management members conceived the idea to offer related services, given that most managing business partners had considered the idea to offer related services. Even so, most management members were involved in the development of the related services by participating in the planning process. The majority of management members indicated that related services were offered because there was a need for the related services, while some management members indicated that they wanted to expand the firm's range of services. Some management members offered related services because of previous work experience, while other firms wanted to offer a set of unique services. Management members mainly planned the related services with a business partner by researching which resources, skills, and methods were required to implement the related service(s). A few management members planned the related service alone, while other management members indicated the related service had been instigated by the requirements of the project through the client. The development of the related services was restricted to management members. Almost all firms offer related services in-house, while one firm offers related services on a joint venture basis.

Management members within the firm were responsible for related service diversification. Non-management staff members never participated in the planning and development phase of the firm's related services. Incorporating employees could have maximised the core competencies of the firm. Owing to the exclusion of employees and their lack of awareness of company services, employees are uncertain about all aspects surrounding service diversification within the firm. Uncertain factors include the planning, development, establishment, and production of related services within the firm. Because of the rare use of related services by clients, management members do not endeavour to train or transfer related service skills to employees. Management directs all the firm's resources to core quantity surveying services, because core quantity surveying services are the firm's primary source of work opportunities. Most management members indicated that related service skills can benefit the abilities of employees, but management members do not transfer related services skills to staff members. The reason for focusing the firm's resources on core quantity surveying services is that most professional

quantity surveying firms have not penetrated the related service markets. Another contributing factor is that professional quantity surveying firms are largely marketed to the public as firms specialising in quantity surveying services, and not firms specialising in related services. A “stickiness” in reputation with related services, and a lack of serious investment in related services on the part of professional quantity surveying firms, form part of the poor related service work opportunities. Competition from other specialist firms exacerbates the issue. Despite this, many management members asserted that employees may practise small aspects of the project management-related service, but only if employees have the knowledge and experience to do so. Alternatively, employees can learn related service skills through external courses at tertiary institutions.

Management members indirectly limit employees to core quantity surveying services, since the demand for related services is very low. When the demand for related services increases and becomes consistent, management will transfer related services skills and invest in training employees to perform related services. If an opportunity to perform related services materialises, the related service would, almost certainly, be performed by management members.

5.3 Revisiting the significance of the research

There is a paucity of research on management’s role in the development of knowledge and skills in professional quantity surveying firms in South Africa. Many research documents on management’s role in professional service firms tend to focus on corporate business organisations or are generic in nature. This study is important because the research initiated an understanding of and identified key components of management’s influence on learning and the development of knowledge and skills in professional quantity surveying firms.

The study established that management’s strategic role in professional quantity surveying firms is vital within the organisation’s culture. Management establishes and maintains a strong vocal support system for staff members through regular encouragement and ease of accessibility. Management, in a majority of cases, does not exploit the many supportive learning elements found within the organisation’s culture, which may improve the employees’ level of development in the firm. Management regularly encourages staff members to explore and to develop new skills, and occasionally assists with the mentoring of employees. Learning initiatives and exposure to related services are, nonetheless, limited within most firms. The transfer of

skills from management members to staff members, where core quantity surveying services are concerned, is reasonably adequate, but not where it could be. The transfer of related services skills is inadequate within professional quantity surveying firms. For this reason, staff members have to rely on personal experience to employ related services techniques. Management members do not transfer related service skills to staff members. The rare employment of related services by clients is responsible for management's reluctance to transfer related service knowledge and skills to employees. The lack of priority given to internal learning initiatives and training initiatives in most firms (apart from on-the-job training) allows pressing issues to govern the learning and professional development opportunities of employees. Ultimately, management's strategic effectiveness within professional quantity surveying firms is limited by the experience that management members have with the development of employees and the development of services.

The research was conducted with professional quantity surveying firms, but the research methodology is not restricted to the quantity surveying profession. The objectives and methodology of the study may be adapted for use in other professional service firms.

5.4 Limitations of this research

The study focused on the strategic role of management within the organisation's culture, learning and the development of knowledge, and the development of related services and skills in professional quantity surveying firms. An analysis of a staff member's point of view about the situation within firms, by means of interviews, is beyond the scope of this study. Personal interviews with employees may have revealed other interesting characteristics about the organisation that were not ascertained in the research questionnaire. This research was designed to establish an understanding and to identify key components of management's strategic influence on the organisation's culture, the development of knowledge, the development of related services and skills within professional quantity surveying firms. The research does not give a detailed picture or an in-depth account of each management member's previous work experience. For example, to establish what management's working experiences were when management members progressed from being a junior member to a senior member. This discovery may have provided the research with more detail about management's present behaviour within professional quantity surveying firms.

5.5 Recommendations for future research

Future research could scrutinise the discernible strengths and weaknesses of management within the organisation's culture. Determining the strengths and weaknesses of management might be a difficult feat, but these characteristics could be solicited by interviewing longstanding staff members. Staff members interact with management and witness management's behaviour. Obtaining insights about the aforementioned issues may explain the prevailing attributes of management.

5.6 Recommendations for professional quantity surveying firms

From a supportive organisational culture perspective, management has to take advantage of the many positive culture characteristics that are prevalent in most organisations. Owing to the many positive cultural characteristics within firms, the organisational culture section was the strongest performing section in the study, according to employees. Important factors, such as access to management and encouragement by management, occur regularly in organisations. Elements like job satisfaction and professional development of staff members require the appropriate level of attention by management, especially from a consistency and formal standpoint. Regular employee support from management on an informal and formal basis may improve the attitude of staff members. Consistent employee support, together with the existing supportive cultural elements, may provide employees with an excellent foundation to develop professionally. This may also influence an employee's level of satisfaction in the workplace, which may influence an employee to perform better at work.

From a learning and development of knowledge perspective, management has to reinforce the level of support in the organisation by prioritising learning initiatives. Learning initiatives have to be tailored to the individual in the firm and have to focus on present work-related activities until the work activities are mastered by the individual. Learning initiatives that focus on distant or advanced work activities are not particularly helpful to inexperienced employees. Inexperienced staff members cannot practise advanced procedures right away because inexperienced employees may be involved with basic work activities. To remedy the situation, management can re-establish learning initiatives by discussing an employee's development and performance, discussing present and emerging work-related topics or activities, discussing the lessons learned from past and present projects, and allocating time for internal learning activities other than on-the-job training. By regularly accommodating the previously

mentioned factors, learning initiatives can eventually become routine and form part of the organisation's supportive learning elements. If the aforementioned elements are neglected, learning initiatives may become exhausting and unproductive for both management and employees, which is normally the result when learning initiatives are attended to sporadically. Attending to learning initiatives on an intermittent basis is inadequate, since learning activities may be postponed owing to the activities' lack of importance. Making learning initiatives possible is important, but ensuring that learning initiatives are effectively implemented is crucial if management intends to maximise the development and performance of staff members.

From a service diversification perspective, management has to avoid restricting staff members to core quantity surveying and seriously invest in related services. A component of the project management related service, for example, can complement the core quantity surveying service, even when the client does not employ the project management service. Project management techniques are beneficial for employees since project management can improve the management aspect of the core quantity surveying services. Knowledge and skills in other related services are equally important, as indicated by the new SACQSP skills modules for quantity surveying candidates. Awareness of the related services on offer by the organisation and the individuals that developed the related services can benefit staff members. Through this awareness, employees will be able to approach management members if employees require advice about a particular related service. Enabling staff members to learn related service skills allows employees to participate in explorative learning, which may broaden the staff members' knowledge base. Continually developing knowledge and skills should be the goal of individuals in PSFs in any case, given that individuals in PSFs need to develop technical tacit knowledge and practice-based tacit knowledge. Developing an employee's knowledge and skills may be accomplished if management supplements an employee's on-the-job training experience with related service learning initiatives. Incorporating possible related service techniques or perspectives into the firm's core quantity surveying services is another learning mechanism that may be used. Almost all firms maintain a supportive learning culture and a constructive teamwork environment, which should aid the development of related services within firms. Training employees to perform related services is an important part of investing in related services. An investment in related services can benefit both the employee and the organisation.

5.7 Conclusion

Management provides employees with a reasonable level of support in the organisation's culture. Cultural elements like interaction, face-to-face communication, discussing an employee's development, ability to show initiative, ability to pursue challenging work, encouraging employees to develop, sharing information, and the ability to access colleagues for support, are all supported by management. A weakness of management is criticising employees for making mistakes and having unbiased opinions. Mainly optimistic cultural elements are an indication that management has a positive influence on the organisation's culture. Management members strategically shape the organisation's culture to support learning through accessible information sources, and individual and teamwork initiatives. The role of management in a majority of organisational cultures sometimes shifts from oral support to personal participation, which occurs in the form of encouragement and mentoring, respectively.

Many of the supportive cultural elements within firms are not effectively utilised for learning and the development of knowledge. Management sometimes discusses an employee's professional development and the lessons learned from projects. Management sometimes assists with employee training and occasionally provides employees with resources to learn. Management regularly encourages employees to learn, to approach work from each employee's own perspective, to do varieties of challenging work, and to share work procedures with other employees. A shortcoming of management is that they frequently allow pressing issues to take preference over learning initiatives. Management has an average influence on learning and the development of knowledge within the firm. Even with a generous level of encouragement from management, learning initiatives are not maximised in organisations. On-the-job training with a senior staff member is the primary mechanism for learning in most firms. Other learning mechanisms like topic discussions, external learning, and reviewing the lessons learned from construction projects are seen to on an occasional basis, at best. The average support from management for employee learning does not entirely limit an employee's ability to develop independently, but the shortfall in management support lengthens the learning curves of employees. Management (as with the organisational culture component), in most instances, provides employees with more oral support than hands-on support. Management, ultimately, maintains an environment where employees are willing to assist one another and where employees can maximise learning should they wish to show initiative. Support from senior staff members and an employee's willingness to show initiative can significantly benefit the professional development of an employee.

Management has an acceptable level of involvement in the development of related services, but a restrictive role in the development and transfer of related service skills. In most firms, the development of related services was initiated because management members thought there was a need for the related service(s). Other management members offered related services to expand the firm's services portfolio, while a few management members agreed to offer related services because of their experience in related services. The decision to diversify into related services also occurred because of management's monitoring market trends, comparing the company services to the services of competitors, and analysing the needs of clients. Most managing business partners were responsible for initiating the idea to offer related services. Most management members planned the development of the related service(s) with a business partner, though a few management members planned the related service(s) alone. The expansion of skills was the primary method used to effect the related services. Other methods included using the related service skills of the business partner, hiring a specialist in the related service field, and providing the related service through a joint venture initiative. Related services were initiated and developed at the management level and, because of this, employees are unsure of characteristics associated with related services. Management members do not train employees to perform related services because related services are hardly ever employed by clients, which is due to the lack of penetration in the related service fields by almost all firms. Consequently, management focuses the firm's resources on core quantity surveying services. Learning initiatives are restricted to the core quantity surveying field. Employees may learn related service skills if employees are willing to do so independently.

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APPENDIX A

QUANTITY SURVEYING CURRICULUM AT UCT AND CPUT

UCT Course:	CPUT Course:
BSc (Construction Studies)	National Diploma (Building Science)
First-Year Core Courses: BUS1036F Evidence-based Management CIV1006S Building Science I CON1004W Construction Technology I CON1010S Construction Information Systems ECO1010F Microeconomics ECO1011S Macroeconomics MEC1002W Engineering Drawing STA1001F Statistics 101 CON1007X Practical Training	First-year subjects: CNT100S Construction Management 1 QSU100S Quantity Surveying 1 CTM100S Construction Technology 1 ABS100S Applied Building Science 1 SSU100S Site Surveying 1 CMM100S Communications 1 COA100S Computer Applications 1
Second-Year Core Courses: ACC1006S Financial Accounting I APG2026F Elementary Surveying CML1001F Business Law I CML2005F Labour Law CON1019S Professional Communication Studies CON2006W Construction Technology II CON2020S Construction Management I CON2022W Measurement & Design Appraisal CON2013X Practical Training	Second-year subjects: CNT200S Construction Management 2 QSU200S Quantity Surveying 2 CTM200S Construction Technology 2 BLP100S Building Practice
Third-Year Core Courses: CON3012W Construction Technology III CON3030S Construction Costing CON3031W Measurement & Design Appraisal II CON3032W Applied Contract Law I CON3033F Property Studies I CON3038W Construction Management II CON3043W Cost Engineering under Uncertainty CON3023X Practical Training	Third-year subjects: CNT300S Construction Management 3 QSU300S Quantity Surveying 3 CTM300S Construction Technology 3 CAC300S Construction Accounting 3 PAE300S Price Analysis & Estimating 3 CTE300S Concrete Technology 3 SFD300S Structures & Formwork Design 3
BSc (QS): Fourth-Year Core Courses: ACC2022S Management Accounting CON4030F Property Studies II CON4032F Measurement & Design Appraisal III CON4033W Applied Contract Law II CON4034W Professional Practice CON4036W Research Report CON4037S Civil Engineering Measurement STA1000F Statistics 1000 CON4035X Practical Training	BTech (QS): Fourth-year subjects: CES400S Construction Economics 4 LAW400S Construction Law & Procedures 4 BEP400S Building Entrepreneurship 4 QSU400A Quantity Surveying 4 (Building) QSU400B Quantity Surveying 4 (Civil) MVA400S Market Valuations 4
Select 2 courses below (or just CON4047W) CON3044S Globalisation & the Built Environment CON4038F Advanced Construction Management CON4039S Integrated Management Project CON4045F Housing Development & Management CON4049S Construction Innovation CON4047W* Treatise (*This in place of Research report CON4036W)	Select one of the following electives: RMY100S Research Methodology 4 DVM400S Development Management 4

Source: UCT 2009 and CPUT, 2013.

APPENDIX B

GENERAL QUANTITY SURVEYING COMPETENCIES

MANDATORY COMPETENCIES (levels 1 to 3) <ul style="list-style-type: none"> ▪ Accounting principles and procedures ▪ Business planning ▪ Client care ▪ Communication and negotiation ▪ Conduct rules, ethics and professional practice ▪ Conflict avoidance, management and dispute resolution procedures ▪ Data management ▪ Health and safety ▪ Sustainability ▪ Team-working ADDITIONAL COMPETENCIES FOR SENIOR PROFESSIONALS <ul style="list-style-type: none"> ▪ Leadership ▪ Managing people ▪ Managing resources (excluding human resources)
CORE COMPETENCIES (levels 1 to 3) <p>Commercial management of construction or Design economics and cost planning*</p> <ul style="list-style-type: none"> ▪ Contract practice ▪ Construction technology and environmental services ▪ Procurement and tendering ▪ Project financial control and reporting ▪ Quantification and costing of construction works
OPTIONAL COMPETENCIES (levels 1 to 3) <p><i>Two competencies at Level 2 from the list below (competencies that best support your specialty)</i></p> <ul style="list-style-type: none"> ▪ Capital allowances ▪ Commercial management of construction or Design economics and cost planning** ▪ Contract administration ▪ Corporate recovery and insolvency ▪ Due diligence ▪ Insurance ▪ Programming and planning ▪ Project evaluation ▪ Risk management ▪ Conflict avoidance, management and dispute resolution ▪ Procedures or Sustainability <p>* Quantity surveyors choosing “commercial management of construction” are involved in the commercial or contracting field. Surveyors choosing “design economics and cost planning” work in the consulting field within the public or private sector.</p> <p>** Whichever one is not selected as a core competency</p> <p>- Competencies are arranged into three levels of achievement, which must be attained in successive stages.</p> <p>Level 1: Basic – Knowledge and understanding of the skill.</p> <p>Level 2: Intermediate – Application of knowledge and understanding.</p> <p>Level 3: Advanced – Ability to give logical advice and display detailed technical knowledge.</p>

Source: RICS (2009a:2; 13)

APPENDIX C

INTERVIEW QUESTIONS FOR MANAGEMENT MEMBERS

1 Background information

- 1.1 How old is this professional quantity surveying practice? _____ years or year started _____
- 1.2 What qualifications do you have? _____
- 1.3 How many firms have you worked at before establishing this company? _____
- 1.4 How many years' experience do you have in this industry? _____ years
- 1.5 How long have you been practising as a professional? _____ years or year registered _____

2 Internal working environment

- 2.1 What the type of work relationship (e.g. formal; informal; mixed) that exists between yourself and staff members? (Please explain why this type of relationship?)
- 2.2 Describe your thoughts on staff members (junior and senior) showing initiative within the firm?
- 2.3 Does management take a personal interest in the short- and long-term career objectives of staff members? (If yes, explain how? If not, explain why?)
- 2.4 What is your opinion on staff members providing suggestions for work activities or procedures?
- 2.5 Do you show appreciation for the efforts that staff members exert on activities? Explain how (verbally/face-to-face/group discussions)? Or if not, why not?
- 2.6 What is your opinion on teamwork within the firm?

3 Learning and the developing of knowledge

- 3.1 Do you have discussions with staff members about their development and performance? If so, how (meetings/one-on-one, etc.)? If not, why?
- 3.2 Do you discuss the lessons learned from current and completed projects with staff members? If yes, explain how (e.g. meetings; company discussions; one-on-one, etc.) and when (regularly; sometimes; etc.)? If no, explain why not?
- 3.3 Do you facilitate staff members' (senior & junior) learning within the firm? If yes, explain what, how and when do they learn? Or if not, why?
- 3.4 What have you done to support staff members learning outside the firm (e.g. time/resources/encouragement, etc.)?
- 3.5 What are your thoughts on exposing staff members to different and more challenging work activities?
- 3.6 Have you done anything to improve the sharing of knowledge between experienced and less experienced staff members? (If so, how? If not, why not?)

4 Service diversification (related services)

- 4.1 Why did the company offer *related services*?
- 4.2 Was the formation of the *related service(s)* planned with other staff members? (If Yes or No, explain how?)
- 4.3 What methods (e.g. hiring; personal or group learning; training; expanding existing skills) were used to introduce the *related service(s)*? And why?
- 4.4 What was your role in the development of the *related services*?
- 4.5 Have you allowed staff members to perform *related service(s)*? If so, why? If not, why?
- 4.6 Do you allow staff members to practise related services even when the *related services* are not employed by a client? If so, why? or If no, why not?

APPENDIX D

RESEARCH QUESTIONNAIRE FOR EMPLOYEES

CPUT is investigating management's impact on circumstances within professional quantity surveying firms and would, therefore, appreciate your assistance with completing this questionnaire as part of the research project. Please complete this questionnaire as honestly as possible. The information will be treated confidentially and anonymously. It will only be used for academic purposes. Thank you for your assistance.

Background:

A. What qualifications do you have? _____

B. The number of years you have been employed by this firm: _____ years

C. Status (please tick the appropriate block): senior & registered member ☐ junior member ☐

NOTE: For each statement please make a ✓ (tick) in the appropriate column

SECTION A: Member's view of management and the internal environment		Never	Seldom	Sometimes	Often	Always
No.	Statement:	1	2	3	4	5
1.	Face-to-face communication is valued in this company					
2.	In this company, management and staff members (including myself) interact regularly and get along well with one another					
3.	Management has an open-door policy with members					
4.	In this company, I normally depend on a co-worker (not management) for guidance					
5.	In this company, management is comfortable with discussing problems and disagreements with staff members					
6.	In this company, management encourages members to show initiative					
7.	In this company, people are criticised for making mistakes*					
8.	In this company, I could do more challenging work if I wanted to					
9.	In this company, management encourages members to approach tasks from their own perspective					
10.	I try to be independent and therefore do many activities by myself					
11.	My job-satisfaction at work is important to management					
12.	Management shows support for my efforts at work					
13.	Management takes a personal interest in my professional development					
14.	Management regularly encourages teamwork in this company					
15.	In this company, it is easy to approach management with a query					
16.	In this company, management encourages input from members					
17.	If your opinions do not support the opinions of management, then it's best to keep the opinion to yourself*					
18.	People in this company are eager to share insights as to what methods work and what methods do not work					
19.	In this company, people are open to alternative ways of getting work done					
20.	People in this company prefer implementing work processes and activities through a standardised/traditional method					

Research questionnaire continued

No.	Statement:	SECTION B: Member's view of management's influence on learning and the development of knowledge				
		Never	Seldom	Sometimes	Often	Always
		1	2	3	4	5
1.	In this company, members and management have discussions on individual progress					
2.	In this company, I am encouraged by management to further develop my skills					
3.	In this company, management encourages staff to explore their abilities and approach work from their own perspective					
4.	In this company, the lessons learned (positive and negative) from on-going and completed projects are reviewed and openly discussed with members					
5.	Management allocates time for members to participate in internal learning activities					
6.	Management assists in the training of members within the firm					
7.	In this company, pressing issues regularly take priority over support and development issues*					
8.	When possible, management (the firm) will assist financially in the development of my skills					
9.	Management allocates time for members to participate in external learning activities					
10.	If I need advice I have to find out the information by myself*					
11.	Management will help me if I require advice					
12.	My work activities vary and have become more challenging over time					
13.	Management regularly encourages members to share knowledge					
14.	Management openly shares work experience with members during discussions					
15.	Individuals are eager to discuss new discoveries and methods with other members					
16.	Individuals do not have time to share knowledge with others					
17.	Individuals always make time to share knowledge when a member asks for it					

Research questionnaire continued

SECTION C: Member's view on management's involvement in the development and establishment of related services		Strongly disagree	Disagree	Uncertain	Agree	Strongly agree
No.	Statement:	1	2	3	4	5
	Please note: <i>Related services</i> are specialised services offered to clients that are related to the quantity surveying field. For example, project management; risk management; value management; maintenance management; and contractual dispute services such as the arbitration, mediation and the expert witness service are related services.					
1.	Market trends are monitored in this firm					
2.	This company frequently compares its services to those of its competitors					
3.	This company monitors and collects information on the needs of clients					
4.	Management involves members in the development of <i>related service(s)</i>					
5.	Management was the only contributor in the development of <i>related service(s)</i>					
6.	Management used experience to build-up & establish the firm's <i>related service(s)</i>					
7.	The services and procedures that I perform in this firm are traditional quantity surveying services*					
8.	This firm grooms members so that they can perform all (i.e. core quantity surveying services & <i>related services</i>) company services					
9.	Management has assured me that I will progress on to <i>related service(s)</i> offerings once I gained sufficient experience					
10.	Learning within this firm will enable me to perform the traditional quantity surveying services					
11.	Learning externally (e.g. through additional courses or tertiary education programmes) has enabled me to perform <i>related service(s)</i>					
12.	Learning externally will eventually enable me to perform <i>related service(s)</i>					
13.	Management did assist with my ability to perform <i>related service(s)</i>					
14.	Management will eventually assist with my ability to perform <i>related service(s)</i>					
15.	Only the individual that initiated the <i>related service(s)</i> performs that service for the firm*					
16.	<i>Related service(s)</i> are primarily the concern of management and not other members*					
17.	The ability to perform <i>related service(s)</i> is shared by all quantity surveying staff members					
18.	Even when the firm's <i>related service(s)</i> offerings are not employed by clients, members still practise techniques from the <i>related services</i> , albeit on a smaller/micro scale					
* = negatively oriented statements						

APPENDIX E

CALCULATIONS FOR MANAGEMENT'S REMARKS

Calculations for the analysis of the service diversification section

Interview question 4.5.1

Why did the company offer related services?

Related service:

Reason:

Project management	(Need for it) = $5/11 = 46\%$ (Expand services) = $4/11 = 36\%$ (Previous work experience) = $2/11 = 18\%$
Value management	(Need for it) = $4/7 = 57\%$ (Expand services) = $3/7 = 43\%$
Risk management	(Need for it) = $3/5 = 60\%$ (Expand services) = $2/5 = 40\%$
Maintenance management	(Need for it) = $3/4 = 75\%$ (Expand services) = $1/4 = 25\%$
Expert witness	(Need for it) = $1/4 = 25\%$ (Expand services) = $2/4 = 50\%$ (to set the practice apart) = $1/4 = 25\%$
Property development	(Need for it) = $2/3 = 67\%$ (Previous work experience) = $1/3 = 33\%$

Combined reasons for related services:

Need for it	= $5/11 + 4/7 + 3/5 + 3/4 + 1/4 + 2/3 = 3.2926$
Expand services	= $4/11 + 3/7 + 2/5 + 1/4 + 2/4 = 1.9422$
Previous work experience	= $2/11 + 1/3 = 0.5152$
To set the practice apart	= $1/4 = 0.25$

TOTALS (Check) = $3.2926 + 1.9422 + 0.5153 + 0.25 = 6$ related service fields

Reasons for offering related services as percentages:

Need for it	= $3.2926/6 = 55\%$
Expand services	= $1.9422/6 = 32\%$
Previous work experience	= $0.5152/6 = 9\%$
To set their firm apart from others	= $0.25/6 = 4\%$

Interview question 4.5.2

Was the formation of the related service(s) planned with other members?

<i>Related service:</i>	<i>Planned with:</i>
Project management	(Planned with others) = 8/11 (It just happened) = 2/11 (Planned it alone – only principal) = 1/11
Value management	(Planned with others) = 7/7
Risk management	(Planned with others) = 5/5
Maintenance management	(Planned with others) = 4/4
Expert witness	(Planned with others) = 4/4
Property development	(Planned with others) = 2/3 (Planned alone – only principal) = 1/3

Formation of related services as a percentage:

Planned with others = $8/11 + 7/7 + 5/5 + 4/4 + 4/4 + 2/3 = 5.3939/6 = 90\%$

Planned it alone (only principal) = $1/11 + 1/3 = 0.4242/6 = 7\%$

It just happened = $2/11 = 0.1818/6 = 3\%$

Interview question 4.5.3

What methods were used to construct the related service(s)?

<i>Related service:</i>	<i>Method used:</i>
Project management	(Expanded on skills) = 8/11 (Developed by hiring a specialist) = 2/11 (Via partner previous experience) = 1/11
Value management	(Expanded on skills) = 7/7
Risk management	(Expanded on skills) = 5/5
Maintenance management	(Expanded on skills) = 3/4 (Joint venture through a specialist) = 1/4
Expert witness	(Expanded on skills) = 3/4 (Via partner) = 1/4
Property development	(Expanded on skills) = 2/2

Method used to form related services as a percentage:

Expanded on skills = $8/11 + 7/7 + 5/5 + 3/4 + 3/4 + 2/2 = 5.227/6 = 87\%$

Through my partner = $1/11 + 1/4 = 0.3409/6 = 6\%$

Through joint venture = $1/4 = 0.25/6 = 4\%$

Developed by hiring a specialist = $2/11 = 0.1818/6 = 3\%$

Interview question 4.5.4

What was your role in the development of the related service?

Related service:

Role of management member:

Project management

(Self initiated) = $5/11 = 0.4545/6 = 7.5657\% = 8\%$

(Partner initiated) = $6/11 = 0.5454/6 = 9\%$

Value management

(Self initiated) = $1/7 = 0.142857/6 = 2.38\% = 2\%$

(Partner initiated) = $6/7 = 0.857/6 = 14.2857\% = 14\%$

Risk management

(Partner initiated) = $5/5 = 1/6 = 16.667\% = 17\%$

Maintenance management

(Partner initiated) = $4/4 = 1/6 = 16.667\% = 17\%$

Expert witness

(Partner initiated) = $4/4 = 1/6 = 16.667\% = 17\%$

Property development

(Self initiated) = $1/2 = 0.5/6 = 8.333\% = 8\%$

(Partner initiated) = $1/2 = 0.5/6 = 8.333\% = 8\%$

Role in the development of the related services as a percentage:

Self initiated = $8+2+8+8 = 26\%$

Partner initiated = $9+14+17+17+17 = 74\%$
