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Dynamics of Knowledge Management Practices in Commercial Property Businesses

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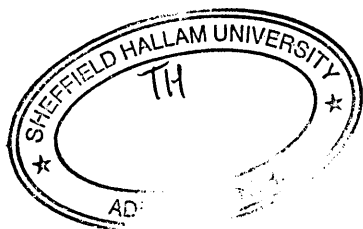
Dedication

This work is dedicated to the memory of my late father, whose dreams planted the seeds of hope; and to my mother, who nurtured this vision into a mission; and above all to the love of my life, *'Toyin*, whose perseverance and abiding faith enabled the fulfilment of this dream.

Content

Preliminaries

Chapter One

Chapter Two

Chapter Three

Chapter Four

Chapter Five

Chapter Six

Chapter Seven

Chapter Eight

List Of Tables

List Of Figures

Acknowledgement

Declaration

I hereby declare that no portion of the research documented in this thesis has been submitted in support of an application for another degree or qualification of this or any other University or institute of learning.

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April, 2004

Abstract

Knowledge management (KM) has rapidly risen to become a popular concept amongst its advocates. Critics claim it is simply old wine in new bottle. It is being touted as one of the significant by-products of an information and knowledge revolution, which may be historically unsurpassed in the comprehensiveness of its impacts on all aspects of human endeavours. Critics say the more things change the more they remain the same.

After many centuries of philosophical and economical dialectics, the hitherto accepted role of landed property as a critical factor of production is increasingly being challenged. Nevertheless, it remains a significant variable to the success of many business units and indeed all nations. Hence, any concept, which seeks to impact on the productivity of businesses, must not only impact on the social actors within such organisation but also impact on its structures and processes.

An extensive review of literature, by this writer, revealed scant research into the role of these phenomena in project-based sectors and nothing published on property investment and development businesses. Hence, the aim of this research was to determine if commercial property investors are practicing KM in any form and if it leads to any significant change in their investment returns or contribute to the achievement of other corporate goals.

It commenced with a brief examination of the philosophical debate on the epistemology and ontology of knowledge. The study established the existing range of expositions on the distinctions between data, information, knowledge, KM and Intellectual Capital Management. Included is a detailed review of KM models and the constraints of outcome measurement. The interplay between organisational culture and employee mindset was considered in addition to the effects of physical workspace on KM. The study followed this with a concise review of the nature of the property industry, the characteristics of commercial property investment, the criteria that impact on investment returns and current drivers of change.

Based on initial predilection towards positivism, the Researcher conducted a general survey within the chosen scope of the northwest region of England. Analysis of the returns confirmed that only 11.1% of private commercial property companies are proactively implementing KM, whilst others are still at a lower end of a spectrum that see them implementing information management strategies and traditional estate management practices only.

Having purged the research of the initial cognitive predispositions, a reasoned transition from positivistic orthodoxy to a phenomenological paradigm was made and a case study secured amongst the few organisations implementing this practice. The research continued steadily with methodological triangulation as a means of studying the dynamics in the case. An electronic survey of all 179 employees was conducted, followed by additional interviewing of 22 employees and directors. Also data was collected to facilitate secondary analysis of ten years statutory accounts and the previously conducted survey of over 412 customers of the case studied.

The study concluded that the management practices in Bruntwood Estates Ltd (a private commercial property investment company) align with the characteristics of the KM phenomena and contributes positively to both its intellectual capital and financial capital. The impacts and shortcomings of the implementation of these practices were elicited as a prelude to the formulation of models that could serve as innovative tools to other players and researchers in the commercial property industry.

Chapter One

1.0 Background to Research

Whilst studying for a B.Sc (Hons) degree in Estate Management, the five-year programme of study undertaken by this Researcher enabled the election of a broad range of courses in sociology, business administration, psychology and philosophy.

The Researcher was particularly intrigued by the dialectics of Philosophers in the 5th & 6th century B.C. The early socratic dialogues documented by Plato and Xenophon excited his imagination of classical ethics, logic and epistemology. Also, the scholastic vibrancy of the period and the works of some Renaissance scholars fascinated him.

Subsequent to his first degree, he was weaned from the academia by the trappings of real estate general practice for some years. Despite the turbulence of practice in a developing economy, he succeeded in acquiring a M.Sc degree in Construction Management during this period. The experience gained by working as both a Valuer and Chartered Development Surveyor in urban settings, for over a decade, enables his thorough appreciation of the dynamics of the property market.

The author's interest in knowledge management was kindled through chance acquaintance with a course on the concept, during his postgraduate diploma programme in Property Valuation and Management at Sheffield Hallam University. Subsequent perusal of works on this theory coupled with interactions with academic colleagues could not determine if it is simply an amalgamation of existing management techniques and paradigms[i] or a new concept with unique characteristics. Whilst discovering the theory as one, which has allegedly been leveraged in other business sectors with successful outcomes, he sought to confirm if property businesses have adopted some or part of the concept or if it was immune to its much-touted merits. To the author's disappointment, he found no directly relevant literature or research (in the public domain) documenting the application of this model to property investments or businesses (with the exception of a few exploratory works on project-based sectors). Hence, his decision to explore this further.

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[i] From ancient Greek compound word *paradeigma* – (*para* meaning *alongside* & *deiknunai* meaning *to see* & *understand*) – is the mindset or subconscious framework around which thoughts are formed or situations interpreted.

What exactly does Knowledge Management (KM) mean? Is it another fad, one of the transient management fashions or old wine in new bottles? (Abrahamson, 1996 & 1997; Scarborough et al, 1999; Darwin et al, 2002). Is it the product of a mutant meme (Price & Shaw, 1998) punctuating the equilibrium of settled paradigms in organisations? How does it differ from other 'change' theories such as Learning Organisation, Business Process Redesign/ Reengineering and Total Quality Management? Could it be a combination of some or all of these conceptual precursors? Is the emergence of KM a function of increasing globalisation and technological revolution, and therefore possibly fluctuate with the economic well being of industries & nations?

With these fundamental queries in mind, this Researcher was further confounded by additional ones like; how popular and sustainable is the KM theory; and is this related to its effectiveness? Is it axiological or ontological? Does it represent a significant shift in management paradigms and what micro-economic implication does it have for investments generally and real estate market in particular?

Therefore, in common with journeys into the unknown, armed with more questions than answers, and with a mindset predicated on naïve positivism, this writer solemnly set forth to separate the 'wood from the trees' with the formation of the initial[i] research objectives.

1.10 Rationale of Study

Over the centuries the human specie has evolved[ii] through various stages of growth (Peterson et al, 1992; Price & Shaw, 1998; Burns & Dietz, 1997; Gould, 2002).

The epochal transformation from a primitive[iii] creature to a civilised[iv] one is marked with such names as stone age, bronze age, iron age etc. Calibration of significant periods of societal change were further labelled as Middle Ages, the age of reformation, renaissance, industrial revolution etc. The transitional periods between the ages or periods are indistinct and flow from one to the other. Currently many believe that the

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[i] The initial research objectives based on positivist orthodoxy transited epistemologically to new ones at the end of the literature review and Phase 1 survey, which are subsumed in phenomenology

[ii] Two main schools of thought are: Slow and steady evolution (known as phyletic gradualism by Paleontologists) or evolution by punctuated equilibrium and periodic stasis.

[iii] Not used in a pejorative sense - From Latin – *Primitivus* – meaning *first formed* or little evolution (M-Webster Online, 2003)

[iv] Civilised – to develop out of a primitive state, acquire the customs & amenities of a civil community

ongoing wave of information revolution is not just analogous to the renaissance or industrial revolution but capable of considerably changing all sectors of human activities within a shorter period (Gates, B. 1996; Negroponte, N. 1995; Toffler, A. 1991).

How can this happen?

Boisot (1999) posited that in the closing years of the twentieth century, mankind faces both an unprecedented challenge and an unprecedented opportunity. He argues that the challenge arises from the fact that we are consuming natural resources at a rate that is likely to prove unsustainable over the long term. He claims that the opportunity comes in the shape of an information revolution that may allow us to substitute knowledge-based resources for energy-based ones in many areas of economic activity.

Can this be a hype, a creation of the imaginative press or manipulative consultancy sector?

In response to this possibility, Stewart (1998, px) asserts that *"it has become a cliché to compare this late twentieth-century event to the dislocations and transformation that marked the industrial revolution a century and a half ago. Trite, but nevertheless true"*.

Commenting on the concept of information age, Meadows et al (2001) state that it is marked by the rise of mass customisation, dynamic processes, virtual organisations and a whole host of new practices and administrative structures enabled by the global telecommunications and information systems. They posit that the critical resources to monitor now are knowledge, labour and organisational capabilities.

Are these now more critical than the other traditional factors of production? Aren't the attributes of labour inclusive of the knowledge-creating capability? Can knowledge based assets be quantified or the services that flow from them? Is it important to quantify at all rather than qualify? Will the effective management of these resources achieve better products (real or intangible) than the traditional factors? Quite importantly, are these new factors mutually exclusive of the traditional ones?

With regard to the importance of the new knowledge-based factors relative to land, Weatherhead (1997) agrees that the information revolution is rapidly freeing many

activities from 'location and time'. Further, she relates this to the industry in the form of businesses gaining freedom over location and also gaining the responsibility to use real estate competitively. She concludes that it has become a matter of strategic importance for real estate managers and investors to reach beyond their traditional knowledge and learn much more about what drives decisions in the market.

Knowledge capital can be a fuzzy[i] phenomenon, capable of being shared but retained at the same time. Hence, efforts to quantify knowledge output based on contemporary economic indices can be quite elusive (Boisot, 1999; Stewart, 1998).

From an organisational viewpoint, how can individuals be immersed in this concept and what measure of cultural change is required to enable knowledge management?

Darwin et al (2002) posited that as information and knowledge become increasingly the most important assets an organisation has, outstripping the traditional resources of land, labour and capital (*supporting writers cited earlier*), the individual mindset[ii] and collective mindsets becomes more important. This they proposed is the 'organisational intelligence'.

Whilst KM is increasingly being promoted as the tool for goal maximisation and product enhancement, information is alleged to have transited from being a support to real business to being the real business (Stewart, 1997)

In one of the pioneering studies of KM dynamics with the project-based sectors[iii] of the property industry; Egbu et al (2001a) declared that knowledge can be a valuable resource for competitive advantage and harnessing its value is likely to be one of the pre-eminent challenges of management in the first decade of the 21st century (see also Guthrie et al, 2001). In support of this, Robinson et al (2001) confirmed that organisations in the construction sector are beginning to join pioneering management consultants in recognising knowledge as the most powerful asset and a source of competitive advantage to improve business performance.

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[i] As different from crisp logic (Zadeh, 1965), Aristotelian two-valued logic or Madhyamika four-valued logic (Nhat Hanh, 1994)
[ii] Mindset has been defined by Liedtka (1991, p544) as the patterns of sense-making and behaviour that capture the ways in which members frame situations, evaluate the alternatives and then select responsive behaviours.
[iii] Architecture, Engineering & Construction

17

In this paradigm, collaboration and sharing replace knowledge hoarding, communities of interest provide the vehicle to sustained improvement, and technology is fully leveraged to ensure efficient knowledge transfer (Lee, 2000).

In order to respond to the changing requirements for cost minimisation, utility and value maximisation of commercial real estate interests in the current dispensation, property managers, developers, occupiers and investors are increasingly creating, adopting and applying innovative methods of management (Weatherhead, 1997; Edington, 1997). Do these conform in all or some respect to the basic principles of knowledge management theory? If so, what are the resultant effects of these new techniques being leveraged?

The worldwide boom and bust property cycle of the late 1980s and early 1990s raised the awareness of the important links between the macro economy and commercial property markets (Ball, 1998). This importance creates a compelling need to determine the dynamics of any technique reputed to have capability of impacting on either the economy or the property market.

Summarily, the real estate industry does not exist in isolation; rather, as an integral part of the macro-economy, it is a wheel within a wheel. Hence, this study is a contribution to a better understanding of the knowledge management phenomena and its ramified relationship with achievement of business objectives when deployed as a strategy by commercial property organisations.

1.20   Scope of Research

Though the impacts of knowledge management on real estate investment can possibly be assessed in various sectors of the property industry, this study will however be limited to an examination of only businesses investing in commercial properties in urban settings.

Whilst a few research studies have been conducted on the effects of this management practice on related project-based sub-sectors such as Architecture, Engineering and Construction (Egan, 1998; Kazi et al, 1999; Egbu et al 2001a; Egbu et al 2001b;

Kamara et al 2002), none has been carried out in relation to property development & investment businesses.

A crucial reason for this choice of scope is linked to the author's background as a Chartered Surveyor, with general practice experience in commercial property[i] dealings in urban settings.

Also the scope is not unconnected with the significance of this sector in the UK property market, as documented in a study instigated by the RICS on the importance of commercial real estate (Currie and Scott, 1991). This report showed that commercial property was worth £250 billion in 1989 (which was about half of the total UK equity market and one third of total physical investments that year), contributed about 10% of the GDP and represented an average of 30-40% of balance sheets of companies. Though in comparison with UK residential market during this same period (1989) of about £1,000 billion (Baum, 2001) the commercial property sector was relatively smaller.

The commercial sector has significantly increased by 100% to £500 billion within a period of 10yrs and representing 17% of national tangible assets (Bootle, 2001) and 15% of GDP (BPF, 2002a). In terms of contribution to the economy, it is five times larger than agriculture sector, more than twice the oil industry, and larger than each of banking, leisure transport and communication sectors (BPF, 2002b).

Lastly, the choice of only urban located commercial properties is also influenced by the expectation of better access to recorded data based on strict accounting regulations imposed on this sector by the government and professional bodies.

1.30 Contribution to Knowledge

This research is the product of a tortuous intellectual journey by this writer. It commenced four years ago with a near cynical curiosity about the practice of KM. Having trained and worked in a sector dominated by the paradoxical juxtaposition of positivistic theories and phenomenological methodologies, the Researcher sought to

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[i] In this research the definition of commercial property adopted is that of the Society of Property Researchers (1995) as property designed for business use and encompasses shops, offices and some industrial units.

know if KM was another meme in the continuous cognitive dissonance that constitutes management paradigms.

Though the journey had to commence with an understanding of the ramified expositions on these phenomena, the initial aim was to determine if property businesses were adopting this practice (if new) or already practising it (if it is the same as existing concepts, albeit with a new name). If property businesses were found to be impervious to the percolation of these phenomena, in itself it would be a discovery to explore the rationale for the resistance. However if the practice is found to exist within the commercial property sector, based on rationalistic heuristics, the Researcher set out to determine what impacts these might have on investment returns and capital values. The approach taken was to attempt an isolation of KM as an independent variable from market factors and assess its impacts on rent, costs, growth rates and capital values. It would entail the development of null hypotheses to be tested in relation to the discrete variables.

However, following an enlightening review of literature and the initial analysis of the stage one survey of commercial property businesses in the northwest of England, the research puzzle was reshuffled to align with a shift in the writer's epistemological and ontological focus. Interaction with players in the industry revealed that the initial aim was too steeped in positivistic orthodoxy in a sector that constantly attempts to grapple with phenomenological issues. Hence the original research aim, at least risked, being irrelevant to the real concerns of players in the industry or worse, could fail to take cognisance of important but more intangible impacts on the human, customer and structural capital of commercial property businesses.

Consequently, the second stage of the research evolved into a case study of a commercial property company in order to explore in depth the dynamics of KM initiatives on the company's employees, customers, internal structures & processes and corporate objectives.

The eventual data gathered were analysed to determine the solutions to the modified research questions and inductively generate topics for further research before concluding.

Conceptualise
research aim

1. Formulate objectives and hypotheses
2. Review classic and contemporary literature on knowledge & KM
3. Assess the resources available and determine scope

Survey of
Property
Companies

Further
Review of
Literature
on KM in
Property
Sector

Stage I

Analysis
of
Results

Modification of
Research
Epistemology &
Ontology

**Basis For
Further
Research**

Case Study of Bruntwood Estates Ltd, UK

**Contribution
to Knowledge**

Survey of all
Employees

Interview of
Some
Employees

Stage II

Analysis of
Secondary
data on
Customers

Gathering of data
on Accts, Internal
Structure &
Processes

Generate
new topics

Analyses

Conclusion &
Reflections

Action Research/
Project

Presentations,
Reports, re-
engineering

Fig A-1: The Research Process

Whilst Figure A-1 shows the critical path of the research process, the tail end shows the commencement of an action research[i] or project partly based on stage II analysis and authorised by the case study directors. The aim of the ongoing action project is the process improvement, embedding of knowledge culture and modification of network protocols as key steps to change engineering in Bruntwood Estates Limited. Though beyond the scope and time frame of this research, it partly provides a practical validation of the outcome.

Also, whilst underlying epistemological issues are critically reflected upon in the concluding chapter, this study contributes to knowledge by determining that KM is not a single concept or tactical solution to corporate requirements. It found that the phenomena known as KM, consists of a body of strategic practices that can be both organic and mechanistic. Did the study create a formula that will calculate the correct proportion of KM to apply to resolve organisational problems? No. It found that it is not a cure-all solution to any company's challenges; because, given the same impetus to change, all companies will react differently based on their ownership structure, size, culture, endogenous and exogenous factors generally. However, KM is a set of strategic practices that could be selectively deployed to create, distribute and enhance knowledge in commercial property businesses. The case studied proved that a holistic practice of KM in a commercial property business did not only enhance their intellectual capital but also contributed to a significant growth of their financial capital.

So, are the protagonists, self-styled Gurus and excited Consultants right? Is there any justification for the cynicism of many academics about the rise of a new fad? The study found that KM is not a new phenomenon. Rather, it is a new approach to practising existing management strategies based on revolutionary technological solutions that enhance a better understanding of intangibles. In a cyclic perpetuation, this understanding of knowledge variables (e.g tacit and explicit knowledge) lead to increased capability to deal with change management and formulation of even more mechanistic solutions.

The model formulated by the study could be utilised as a diagnostic tool by other commercial property companies to determine the potential strategy or short-term tactics to adopt in order to enhance the management of both their intellectual and financial capital.

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[i] A planned intervention by a researcher or more often a consultant into a natural social setting; including subsequent

1.40   **Aims and Objectives of Research**

The aim of the research was to explore the impacts of knowledge management on commercial property businesses. In order to do this, the following objectives were identified:

1. Evaluation of existing pattern of KM and ICM deployment within selected organisations (sample population) in the North West;

2. Exploration of the dynamics of knowledge Management practices with commercial property business goals in a selected case study;

3. Analysis of growth and return patterns within the selected case study, implementing KM practices, relative to the industry's benchmarks;

4. Development of a model, which captures the dynamics of KM/ICM as an innovative tool to players in the real estate sector; and

5. Generating focussed questions for further research.

1.50 **Overview of Thesis**

The layout of the thesis is a logical sequence, commencing with the introduction of the research in Chapter one to the conclusion in Chapter Eight (see Fig A-2).

In Chapter One, in addition to the introduction, justification for the research and confirmation of research objectives an organogram is provided to graphically map out the sequence of work.

Chapter Two consists of a critical review of literature on the origin of knowledge, the nature of data, information, intellectual capital and KM. Also considered in this chapter are theories on the relationship between culture & KM and physical work place and KM. This writer's assimilation of the concept did not only positively correlate with increasing reviews of publications on the subject matter, but represented an ontological transition from his crisp positivistic paradigm to a balanced appreciation of phenomenological issues embedded in the subject. At the end of this chapter the

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monitoring and evaluation to discern the correlation of action to expected outcome (Gill & Johnson, 2002)

necessity to modify the original research hypotheses had begun to emerge as part of the summary.

Chapter Three consists of an introduction to real estate interests, a review of publications on the property market, examination of the drivers of change and the practice of KM in the sector is considered. The summary at the end of the chapter crystallised the epistemological, position of the writer as an iterative premise for the ontological approach in Chapter four.

The Research Methodology is detailed in Chapter Four based on the epistemology adopted at the end of the literature review. Also included is a clarification of the stages of data gathering, a discourse of the survey instruments, interview schedules and secondary data gathering approach .

The last four chapters contain the data, analyses, chapter and section summaries, conclusion, reflections and recommendation for further studies.

Chapter 1

Introduction,
Rationale, Aim &
Objectives, Scope &
Contribution to K.

Chapter 2

Origin & Nature of Knowledge,
Management, KM Models
Limitations & Measurement Issues
Intellectual Capital & ICM

Chapter 3

Nature of property,
Characteristics of Property
Mkt., Property Mgt., Valuation &
Yields,
KM in Property Industry,
NW of England market

Chapter 4

Research
Paradigm:
Epistemological,
Ontological &
methodical Issues

Chapter 5

Stage I Survey,
Collection &
Analyses of Data on
Commercial
Property Companies
in NW, Assessment
Benchmarks

*Contribution to
Knowledge*

Chapters 6 & 7

Case Study of Bruntwood,
Ten Years Acct Analysis,
Employee Survey & Analysis
of Secondary Customer Survey
Data

Qualitative Approach to Case
Study, Interviewing of Employees
& Analysis of data

Chapter 8

Research Findings,
Conclusion, Further
Research, Reflections

Fig A-2: Research Organogram

Chapter Two

2.0   From Knowledge to Knowledge Management

2.10   What is Knowledge?

Is it a thing or a thought? Is it a flow or a stock? Is it a process or product? Is it strictly individualistic or can it be possessed by a body, organisation or a society?

These are some of the many questions, which Philosophers[i] have debated for many centuries even before the time of Socrates.

The foundation of *Rationalism* was laid by Plato, a follower of Socrates, who developed the theory of *"idea"*, which is a *"form"* seen through the pure mental eye and is also the ultimate ideal to which the human spirit aspires (*utopia*). According to him, the sensory perceptions could not conceive of the perfect "ideas" except through pure reason. Antithetically, his pupil, Aristotle posited that "idea" or "form" cannot be separated from physical objects and not independent of sensory perceptions – thus setting in motion the rudiments of *Empiricism* (Plato, 390s – 347BCE).

These early foundations set in motion the first cognitive revolution[ii] between medieval[iii] philosophers. After the renaissance (14th – 16th century) this debate crystallised in the 17th into Continental Rationalism and British Empiricism. The debate between rationalists and empiricists was essentially based on whether or not knowledge was acquired from the senses. On the rationalist side, Augustine held that the sensible world is inferior to the eternal, also Lord Herbert argued in *De Veritate* (1645) that certain moral propositions are innate. On the empiricist side, Thomas Acquinas adopted the concepts of Aristotle, and Locke maintained that the mind is a blank slate at birth (Mathews, 2000; Kretzmann & Stump (eds.), 1993; Nonaka & Takeuchi, 1995; IEP, 2002).

Summarily, Rationalists believed that an important group of foundational concepts are known intuitively through reason, as opposed to experience. Descartes describes such

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[i] Such as Thales of Miletus (c.620 – 546 BCE), Anximander (c.610 – 546 BCE), Pythagoras (c.530 BCE) etc
[ii] And has continued through the renaissance to contemporary philosophy
[iii] Usually sub-divided into early middle ages (e.g Augustine in 354-430), high middle ages (e.g Thomas Aquinas in 1225-1274) and late middle ages (e.g Meister Eckhart in 1360-1328)

concepts as innate ideas, the most important of these including the ideas of oneself, infinite perfection, and causality. Empiricists, staunchly rejected this view, and argued that all ideas trace ultimately back to experiences, such as sense perceptions and emotions (IEP, 2002).

The dialectics of rationalism and empiricism focus on many different perspectives of this issue, though lines of distinction sometimes seem to blur[i]. It seems to this writer that a significant difference lies in whether knowledge is *a priori* (beyond the senses) or if it is *a posteriori* (within the perception of the senses) and the distinction between synthetic and analytic truths.

Within the fuzzy boundaries of this epistemological divide, this writer's preference would be for a paradigm synthesis, within the spectrum, which recognises that whilst some knowledge commence with sensory perceptions, this in turn is predicated on innate awareness of self as different from external objects based on cognition[ii].

Whilst evading the entanglement of epistemological circumlocution, this study would conclude this brief review on the origin of knowledge by noting some of the eminent post-renaissance scholars whose works can be divided into the school of empiricism as John Locke, David Hume, George Berkeley, whilst the school of rationalism would claim the works of Rene Descartes, Bernedict Spinoza, Christian Wolfe and Willhelm Leibniz – amongst 16th to 17th century scholars.

2.20   A Brief History of Knowledge Preservation & Transfer

If knowledge is a thing or flow, can it be captured, preserved, replicated, calibrated and transferred?

Whilst the dialectics of empiricism and rationalism rages on today, what is usually not disputed is that efforts to preserve 'knowledge', or whatever is considered vital 'information', commenced as oral narratives passed from generation to generation (IEP, 2003).

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[i] With both sides variously adopting deductive and inductive methods of reasoning with cognitive adaptation
[ii] This dove-tails with Immanuel Kant's (1724-1804) concepts of *synthetic* and *analytic* truth

In pre-writing oral tradition, the conditions for the preservation of ideas were mnemonic. To promote memory, instruction and knowledge preservation made use of verbal and musical rhythms; however, these rhythms placed severe limits on the verbal arrangement of what was said, as in Homer[i], and the need to memorise used up cognitive energy that otherwise could have been devoted to learning (Olson, 1976).

Whilst early philosophers and poets did not memorise verbatim, because of the difficulty of doing that, the need to retain the originals of knowledge and not one modified from one narrator to another was essential for the growth of science (Olson, 1976).

The history of managing knowledge goes back to the earliest civilisations (Wiig, 1997). The palace archives of Sumer and Akkad and the extensive cuneiform archives discovered at Ebla in Syria, all more than 4,000 years old, were attempts to organise the records of civilisation, government and commerce, so that the high value information contained therein could be used to guide new transactions and to prevent the loss of knowledge from generation to generation (Wiig, 1997).

This imperative to preserve knowledge eventually led to the great libraries of antiquity, the most notable was the Library of Alexandria in Egypt, which was founded in the Third Century BC and lasted almost 1,000 years. At its peak the library contained more than 500,000 hand-written works, copies of which were made and disseminated throughout the world. This time consuming, hand-done reproduction and hand-carried dissemination fortunately saved much of the knowledge of antiquity, as the library, itself, was frequently burnt by invading armies. Driven by the need to make knowledge capture, storage and distribution more effective and efficient, new technologies were developed (Ives, et al, 1998).

The development of the papyrus marked the beginning of real literary and academic works being recorded and transported by the Greeks and Romans from the 5th century BC until the 9th century AD. Other forms of storage media followed with better characteristics such as the parchment and phonetic alphabet recording. The tradition was to read aloud until the 12th century (after the time of Augustine), when silent reading commenced and recording methods like table of content and index commenced, which allowed random access to text information (Kirwan, 1989).

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[i] Greek Poet credited with writing the Iliad & Odyssey (about 800 B.C), over 28,000 lines classical poem usually recited by bards

An assessment of the history of KM traced by Ives et al (1998)[i] reveals that each new advance in communication and learning technology expanded the possibilities for knowledge capture and distribution. In each case, it took a while to understand what the possibilities were, and what were the requirements to enable them.

From the creation of the printing press in the 15th century to the creation of computers & networking tools in the 20th century, the need to capture and disseminate knowledge continues to grow and impact on societal and organisational efficiency.

2.30   Data, Information & Knowledge

Data is the plural of datum, which is from the Latin meaning 'given'. It can be defined as the ground for inference and deduction or the basis of information. Information is in turn the intelligence derived by perception (Williams, Ed., 2003)

Davenport & Prusak (1998) differentiate between data and information. According to them, data is a set of discrete, objective facts about events. This could be in the form of structured records of transactions in an organisational context. They argued that data describes only a part of what happened, it does not provide any judgement or interpretation and no sustainable basis of action. Information on the other hand, is *data* that makes a difference.

Does this mean that information is a subjective interpretation or application of meaning to objective facts? Does the conversion of data to information necessarily deprive it of its objectivity? It appears to this writer that the processing of data to information is highly dependent on the interpreter's cognitive filtration. Whilst the conversion of data to information is capable of extracting individualistic meaning from data, the concept of objectivity itself is however subject to ambiguity. Hence the usual interpretation that a perception of a glass of beer containing 50% content is pessimistic or optimistic by describing it as half full or half empty is a subjective interpretation of an intepretation?

A more simplistic approach is then synchronous with Peter Drucker's (1993) description of information as data endowed with relevance and purpose – thus giving credence to cognition.

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[i] Andersen Consulting specialists

Williams (Ed., 2003) defines knowledge as applied information, which is an accumulation of lessons, experiences, observations and analyses. This converges with the description of knowledge by Davenport & Prusak (1998), as a fluid mix of framed experience, values, contextual information, and expert insights that provides a framework for evaluating and incorporating new experiences and information.

Once again support is given to the notion of cognition and individualistic knowledge being dependent on the state of mind of its possessor (the vessel of transmission) in relation to space and time - thereby depriving it of universal objectivity[i]. Knowledge does not exist in a vacuum and is what a knower knows (Fahey & Prusak, 1998); there is no knowledge without someone knowing it. Literally put, 'knowledge must be viewed as originating between the ears of individuals'.

"What do people want, when they want knowledge? Nothing more than this: something strange must be converted into something known. The known is that which we are used to; and that which we are used to, is the hardest to know, that is to say, see as a problem, that is to say, see as strange, as far away and outside us". [Beijerse, 1999, p. 10, quoting Nietzsche[ii] (1882)].

Beijerse (1999) sees knowledge as the capability to interpret data and information through a process of giving meaning to these data and information and an attitude aimed at wanting to do so. This version of knowledge veers into motivational impetus of knowers to interpret data and information.

Knowledge is seen to be central to human performance and has been defined as the capacity to act (Svelby 1997). Knowledge is a high value form of information that is ready to apply to decisions and actions. In an organisational context, knowledge is embedded in organisations' business processes and the employee's skills provide the firm with unique capabilities to deliver customers with a product or service (Davenport et al,1998).

With a spin on the relative worth of this organisational capability, Ginsburg & Kambil (1999) view knowledge as a renewable, re-usable and accumulating asset of value to firms that increases in value with employee experience and organisational life.

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[i] Universal Objectivity – not philosophical but used in a professional sense as a conclusion or inference that the average person would reach without prompting
[ii] Friedrich Nietzsche, a German Philosopher (1844 -1900), a precursor of existentialism

Is knowledge primarily based on inter-related cognitive processes or is it a function of reflexivity, or instinct? To this writer the lack of relevance and purpose to the receiver could revert any information back to the state of being a data, and the lack of a receptive experiential framework of assessment could revert knowledge to being information.

Therefore shown below in Fig B-1 is a constructed model of this writer's perception of knowledge typology:
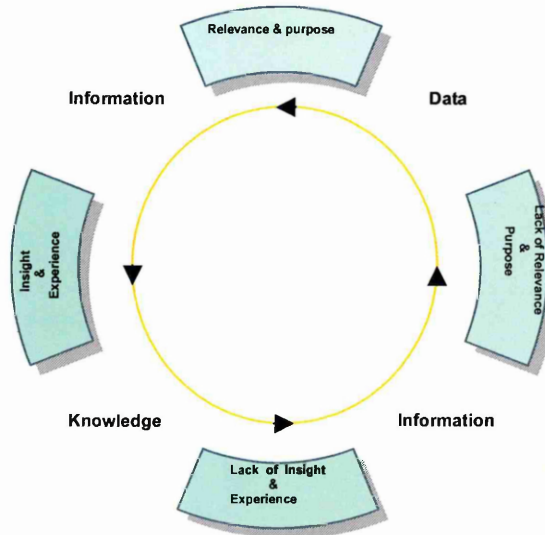
Fig B-1: The Knowledge Cycle

In support of this notion, Stewart (1999) suggests that the idea that knowledge can be slotted into a 'data-to-wisdom' hierarchy is bogus, for the simple reason that one man's knowledge is another man's data.

Academics, Gurus and Consultants from disciplines as disparate as sociology, economics, and management science agree that a transformation has occurred and knowledge is at the centre stage[i] (Darwin et al, 2002; Boisot, 1999; Davenport et al, 1998; Egbu, 2002; Williams, 2003; Drucker, 1993). However, what form of knowledge? Is it only the type that the possessor is conscious that he possesses? Or does it include that which may be buried within the faculties[ii] of the human possessor – unconsciously or preconsciously?

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[i] There are others who assert that nothing new has emerged and KM is another rhetoric (Eccles et al, 1992)
[ii] Faculties – Mindset , Preconcious or unconscious awareness (Darwin et al, 2002)

2.3.1 Explicit & Tacit Knowledge:

Academics and consultants (*combining both management consultants and workplace gurus*) have sought to draw a fine line between knowledge which can be tapped i.e explicit, and that which cannot easily be converted or so latent in the possessor that he might not even be aware of his possession.

This distinction between explicit and tacit knowledge was first proposed by an academic, Micheal Polanyi[i] (1966) who argued that personal or tacit knowledge is extremely important for human cognition, because people acquire knowledge by the active (re)creation and organisation of their own experience. He believed that knowledge has an ineliminable subjective dimension – i.e we know more than we can tell (Routledge, 2000).

Polanyi's understanding of tacit knowledge is that it is a basis for cognitive experience and interpretation. Notably, the adoption of this same term by Nonaka and Takeuchi (1995) has a slightly (but significantly) different meaning. They refer to tacit knowledge as one, which is difficult to express, and not simply a backdrop to cognition. Though this misconception has been widely accepted by many writers on KM, Stenmark (2002) suggests a differentiation from Polanyi's terminology through the use of *implicit knowledge* as a more correct representation of Nonaka's model. However, this paper would defer to Nonaka & Takeuchi's *tacit* terminology as it is more relevant to organisational knowledge study.

Tacit and explicit knowledge are complementary to each other, and in the creation or action of people, they interact and influence each other. This process of interaction is called knowledge conversion, and it does not take place within an individual but between individuals within an organisation (Nonaka and Takeuchi, 1995).

Items	Into Tacit Knowledge	Into Explicit Knowledge
From tacit knowledge	Socialise sympathised knowledge	Externalised conceptual Knowledge
From Explicit Knowledge	Internalise operational knowledge	Combine system Knowledge

Table B-1: Four Modes of Knowledge Conversion (Nonaka & Takeuchi, 1995)

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[i] M.Polanyi (1891-1976), a Hungarian who moved to Britain in 1933, also a physical-chemist with major works in 'personal knowledge' especially his concept of 'tacit dimension' & theory of 'moral inversion'

Briefly explained, the model (Table B-1) of Nonaka and Takeuchi proposed that:

- **Socialisation** is the process of exchanging experiences whereby mental models are being created e.g master-fellow relationship, on the job training, imitating others, constructive brainstorming etc;
- **Externalisation** is when personal or tacit knowledge is made explicit in the form of metaphors, analogies, hypotheses and models. It is here that new and explicit designs are born;
- **Combination** is when notions are synthesised into a knowledge system. When people exchange and combined knowledge through documents, meetings, telephone conversations, emails and other form of modern interactional gadgets. New knowledge can be created through the restructuring of existing information by sorting, adding, combining and categorising explicit knowledge such as encountered through education and training; and
- **Internalisation** is a process in which explicit knowledge becomes part of tacit knowledge. An example is when new workers 'relive' a project by studying the archives of the project or when experienced managers/technicians present seminars etc.

Organisational Knowledge creation is defined in the Japanese context, by Nonaka & Takeuchi (1995), as the capability of a company as a whole to create new knowledge, disseminate it throughout the organisation, and embody it in products, services, and systems. They suggest that it is the key to the distinctive ways Japanese companies innovate continuously, incrementally and spirally. Such companies recognise the difference between explicit (that which can be codified or expressed) and tacit knowledge (inherent know-how).

However, Garvin (1993) has criticised the works of Nonaka and Takeuchi as being too abstract. In a further comment on the process of combination, Anand et al (1998) point out a demerit of the emphasis of Organisational Theorists that information and knowledge acquired by one part of an organisation must be communicated speedily to other parts. Since organisation members collectively acquire enormous quantity of information on an ongoing basis; if all such information were to be transmitted to all parts of the organisation its members will suffer from information overload.

Also, on tacit knowledge, Stewart(1998) suggests that because it is unexpressed, it is often unexamined and it can be wrong, hard to change or difficult to examine. Hence tacit knowledge needs to become explicit and new knowledge needs to become tacit – a never ending cycle.

This Researcher is of the opinion that Nonaka & Takeuchi's model of KM provides a significant step to the building block, which constitutes the body of knowledge on organisational change management. Whilst only a proportion of tacit knowledge can be or is usually externalised, when this is internalised by the recipient, the end product is not always the same as the original[i]. This does not however constitute a demerit; rather it is the basis on which new knowledge is born, through the cycle of internalisation and externalisation of knowledge. However, the success of this model within an organisation may be predicated on the proportion of tacit knowledge which the holder is 'encouraged[ii] or obliged[iii] to externalise (Robinson, Carillo, Anumba & Al-Ghassani, 2001), otherwise there will be an enormous quantum of information overload of limited value. Thus, as with other revolutionary management concepts, this model of KM is also dependent on cultural change within an organisation, plus acquisition of enabling tools or better utility of existing tools (see limitations of KM in section 2.7 for further comments).

2.3.2 Knowledge as a factor of Production

Relating knowledge to the traditional concepts of the capitalist economy, Drucker (1993), argues that in the new economy, knowledge is not just another resource alongside the traditional factors of production – labour, capital, and land – but the only meaningful resource today; and this is what makes the society unique. He noted three fundamental changes in knowledge in the 20th century:

- The industrial revolution during which knowledge was applied to tools processes and products;
- Next was the productivity revolution when the likes of Taylor and Ford began to apply knowledge to human labour; and

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[i] Similar to the relative fidelity of memetic mutation – whereby the replicated meme's retention of initial pattern is a function of its rate of multiplication, such that the faster the mutation the greater the potential disparity in fidelity (Dawkins, 1976)

[ii] In an organisation where externalisation of knowledge is linked to determination of employee's worth, then this could be an incentive to workers to convert tacit knowledge.

[iii] Where the workplace culture places a premium on failure to externalise tacit knowledge.

- Lastly, there is the current management revolution in which knowledge is being applied to knowledge itself.

According to Drucker, when there is knowledge, the other production factors are easy to obtain, and the challenge presently is to find a methodology or a process with which information can be made productive. Following this theme, Stewart (1998) described knowledge as the primary ingredient of what 'we make, do, buy, and sell'. Its management include the location and development of intellectual capital, its storage and distribution. Stewart declared that this has become the most important economic task of individuals, businesses, and nations.

However, in a slightly divergent support of this concept, Boisot (1999) declared that data has become a factor of production in the new information economy; over time, it substitutes for physical resources through a learning process that blends the gradual accumulation of experience with discontinuous insights. Thus, embedding what is known by individuals into an independent process, which can be codified by organisations. However, he also critiqued that despite knowledge assets being a source of competitive advantage for firms that possess them, the way it translates into competitive advantage is ill-understood.

2.40   Management

A brief understanding of the general approaches to the theory and practice of management helps one appreciate how management has evolved, where it is today, and where it appears to be headed.

The various theories of management can be broadly divided into traditional approaches (such as scientific, administrative and human relations theories) and contemporary ones (such as systems and contingency theories).

Though there are documents (Hampton, 1986)[i] that confirms that the management of organisations and ideas occupied the thoughts of people in ancient China, Egypt, Greece and Rome; it was not until the 18th – 20th century that formal writings on management practice and methods began to emerge. The works of Charles Babbage

(1791-1871) an English Mathematics Professor in 1832, dallied with the application of scientific principles to work processes in order to increase production and reduce costs. Thereafter based on the concept of the 'rational man'[ii] and division of labour by Adam Smith's in 1776, Frederick Taylor, Frank & Lillian Gilbreth and Henry Gantt developed scientific management theories in America in early 1920s. In order to deal with what they considered as the shortcomings of scientific management, human relations or motivational approach to management was developed by Elton Mayo, Douglas Macgregor and Abraham Maslow. However, a French writer called Henri Fayol sought to distinguish managerial functions from others in what is known as administrative management theory. Further, the management of systems was developed by Peter Drucker and Total Quality Management by Edward Deming etc.

Fredrick W. Taylor (1856-1915)[iii], focussed on plant management. A pragmatist, he synthesised his ideas with the works of others and promoted them in a coherent manner to an industrial audience. He stated that the common problems of labour[iv] arose from defective organisation and improper methods of production in the workplace. He contended that production was governed by universal and natural laws that were independent of human judgement. The object of scientific management was to discover these laws and apply the "one best way" to basic managerial functions such as selection, promotion, compensation, training and production. He advocated using time and motion studies to determine the most efficient method for performing each work task, a piece-rate system of compensation to maximise employee work effort, and the selection and training of employees based on a thorough investigation of their personalities and skills. This approach was subsequently faulted for being too mechanistic and uncompromising and even lined with bad practices in 1912.

In 1920s the British Industrial Fatigue Research Board studied the complex issues involved in considering productivity and motivation that were just not understood. Following this Abraham Maslow (1943), Herzberg et al (1959), Elton Mayo, Douglas Macgregor(1960) and their academic colleagues championed the human relations approach to management. The initial writings stressed self-awareness, self-knowledge and self-understanding. They suggested that workers have multiple needs, act as a group and have desires apart from monetary gains.

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[i] Quoting from books on Mencius, Confucius, Plato and Xenophon (see also www.acel-team/scientific/index.html)
[ii] The idea that people tend to choose a course of action that maximises their personal gain
[iii] Known as the originator of scientific management
[iv] Such as waste, low productivity, high turnover, soldiering, and the adversarial relationship between labour and management.

In a description of the hierarchy of pre-potency in human motivations, Abraham Maslow [i] observed that "man is a wanting animal" and that one desire is no sooner satisfied than another takes its place, he noted sense and order in the succession of motives. In the relatively rare individuals in whom all lower needs are satisfied a new motive can be observed, the drive for self-actualisation--becoming everything that one is capable of becoming. Interest in higher levels of motivation led Maslow to the study of self-actualised people, who differ from most people in being unusually healthy psychologically; having marked ability to free themselves from stereotypes; and perceiving everyday life realistically and accepting it without defensiveness. Self-actualising people appear to have, or to have had, "peak experiences" of insight, joy, or intense awareness.

This led to Macgregor's Theory X & Y, which has been recently followed by an integrated approach (of a Japanese style) by William Ouchi's Theory Z. However one critique of the HR movements is the fact that the complexity of human behaviour makes prediction difficult.

The works of Taylor and Henri Fayol are considered as essentially complementary. Henry Fayol's 1916 list has been updated and expanded by management scholars to include planning, decision making, organising, staffing, communication, motivating, leading and controlling

Contemporary theories of management include contingency theory, systems theory and chaos theory.

Contingency theory asserts that when managers make a decision, they must take into account all aspects of the current situation and act on those aspects that are key to the situation at hand.

Systems theory however views an organisation as a collection of parts unified to accomplish a set of goals. It consists of inputs (such as raw materials, money, technologies and people), processes (such as planning, organisation, motivation and control of inputs), outputs and outcomes with feedbacks. Hence Open systems are systems that interact with their environment, subsystems are systems within broader

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[i] 1908- 1970, founder of humanistic psychology

system, synergy are units that are more successful working together than alone and entropy is the process that leads to decline.

Chaos theory on the other hand posits that events or processes are indeed rarely controlled. That organisations are complex systems (Darwin et al, 2002; Price & Shaw, 1998; Jun and Storm, 1973) subject to more volatile, random or chaotic reactions. It states that as organisations expend their energies, they seek more structure to maintain stability until the system splits and combines with other systems or falls apart entirely. Hence there is a school of thought that attempts to control, reduce or embrace organisational chaos can be illusory (Visscher & Rip, 2003) – due to lack of predictability of complex non-linear systems (Seeger, 2003)

However, in a holistic approach, which sees management in a wider context than the humanists, Daft (1993) qualified it as the attainment of organisational goals in an effective and efficient manner through planning, organising, leading and controlling organisational resources. He further explains the key management functions as follows:

- Planning involves defining goals for future organisational performance and deciding on the tasks and resource use needed to attain them;
- Organising means assigning tasks, grouping tasks into departments and allocating resources to departments, whilst
- Leading means the use of influence to motivate employees to achieve the organisational goals,
- Controlling includes monitoring employees' activities, keeping the organisation on track toward its goal and making corrections as required.

In this research, Management will be simply defined as the process of achieving organisational goals, in a changing environment, through the efficient and effective utility of essential resources.

2.50 Knowledge Management (KM) Defined

Having explored the meaning of knowledge and the ramifications of management concepts, does KM simply mean the management of knowledge? Should knowledge be managed and how can this be done? Also, what distinguishes individualistic knowledge from the organisational knowledge base? What is the conversion process of knowledge as a stock to knowledge or as a flow?

Beijerse(1999), defined KM as achieving organisational goals through the strategy-driven motivation and facilitation of (knowledge) workers to develop, enhance and use their capability to interpret data and information (by using available sources of information, experience, skills, culture, character, personality, feelings etc) through a process of giving meaning to these data and information.

Therefore can KM be explained as the effort to make the knowledge of an organisation available to those within the organisation who need it, where they need it, when they need it, and in the form in which they need it in order to increase human performance?

KM is seen by Bhatt (2001), as a process of knowledge creation, validation, presentation (synonymous with formatting in his diagram – see Fig B-2) , distribution and application. He argued that these five phases in KM allow an organisation to learn, reflect, unlearn and relearn. These he considered essential for building, maintaining and replenishing core-competencies (see Fig B-2).

Gladstone (2000) posited that in the knowledge era market demands are changing faster and faster, and that today's standards or leading edges have become fickle and untrustworthy bases for long-term success. He expects managers to keep checking that their trusted solutions are still relevant. And his reasons, because in most industries, yesterday's "know-how" is now history, and today's will soon be just as out-of-date. He revealed that a new knowledge perspective is a requirement for competing in the twenty-first century.
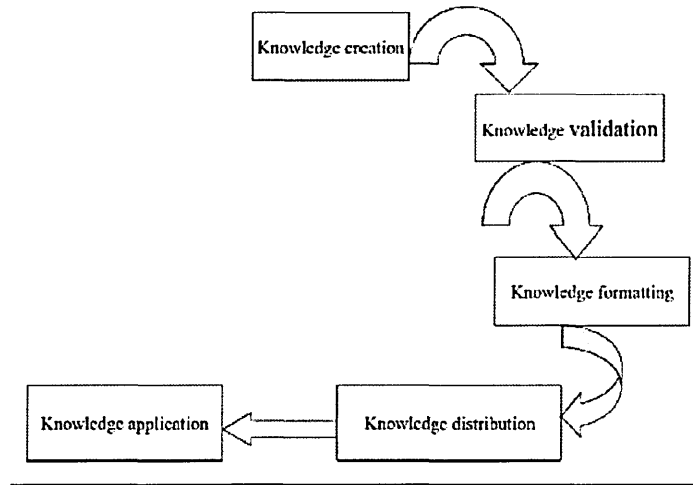
Fig B-2: KM Process Acitivities (Bhatt, 2001)

The logical extension of both Drucker's and Gladstone's assertions is that KM has become the next management paradigm, developing on from previous transformation strategies such as Total Quality Management, Business Process Re-engineering and Best Practices, and where solutions involve the integration of people, process and technology.

The DTI (2002) declared that the way in which a company manages and utilises its knowledge has always been crucial to success. Against a background of increased competition and the increasing impact of new technology and electronic commerce, it declared that the added value a company can achieve from the effective use of its knowledge and expertise is becoming increasingly important.

From the foregoing, it appears that KM is not only about knowledge but the capacity to know. To manage knowledge is to concentrate on supporting its processes to achieve business objectives. Horibe (1999), states that the old economy is about congealed resources (where a lot of material are held by a bit of knowledge) whereas the new economy is about congealed knowledge, where a lot of intellectual knowledge is in a slipcase (Stewart, 1997). Thus value and competitive edge are created by the knowledge employees now have and how they apply it to their work.

2.5.1   Intellectual Capital (IC) and KM

Stewart (1998) claimed to have first mooted the concept of IC in 1994. He defines it as intellectual material – knowledge, information, intellectual property, experience – that can be put to use to create wealth. He argued that it is collective brainpower that is hard to identify and harder still to deploy effectively. Wiig (1997a) has also described it as activities ranging from acquiring new knowledge (learning) and inventions to creating valuable relationships

IC is increasingly recommended as essential for a company's viability and success in the 21st century (Bontis, 1998; Bontis et al 2000; Guthrie, 2001; Wiig, 1997a; and Zhou & Fink, 2003; Stewart, 1998; Edvinsson, 2000). This term is used sometimes as a synonym of intellectual assets[i], Intangible Assets[ii] (RICS, 2003; Edvinsson, 2002) or knowledge assets (Guthrie, 2001). It has been broadly defined as the difference between a company's market value and its book value (James, 1997)

Though the emphasis and contents by different writers on IC concepts differ, the underlying premises are fundamentally similar. Fig B-3 below is an adaptation of the Skandia Model, which is well referenced (Edvinsson, 1997; Wiig, 1997a; Zhou & Fink, 2003) and adopted in this study.

IC is viewed by this model as a summation of both human capital and structural capital. Peter Harlow (1998) identified **Human Capital** as the knowledge and talents that reside only in the brain. Its management involves encouraging employees not only to create knowledge but to efficiently convert their vital tacit knowledge to explicit one.

Structural Capital is a combination of the **Customer Capital** and the **Organisational Capital**. Zhou & Fink (2003) defines Customer Capital as the value of a firm's relationship with the external world - its customers, suppliers, consultants, partners and other stakeholders

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[i] This should not be conflated with Intellectual Property – legal rights over patents, copyright or trademarks
[ii] IAs – defined by European Community High Level Experts Group as non-material factors that contribute to enterprise performance in the production of goods or services that expected to generate future economic benefits to their controller (Edvinsso, 2002)
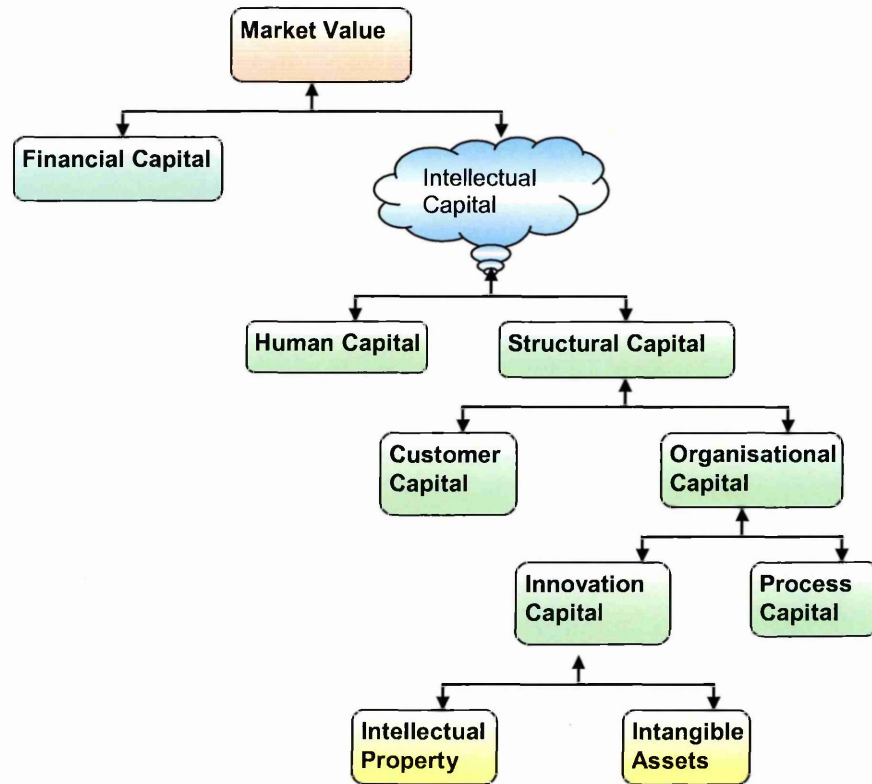
Fig B-3: The Skandia Intellectual Capital Model
Adapted From Edvinsson, 1997

Organisational capital consists of innovation capital, such as intellectual property, knowledge culture, and process capital, such as databases and information systems (Edvinsson, 1997; Zhou & Fink, 2003). Organisational capital represents an organisation's capabilities to meet its external and internal challenges. Hence, this model represents IC as a summation of not only traditional intangible assets, such as brand names, trademarks and goodwill, but also new intangibles, such as knowledge, technology value and good customer relationship.

IC represents the resources that an organisation should leverage[i] to achieve competitive advantage and takes the form of intangible assets derived from organisational knowledge activities. It is only an asset when it can be leveraged, shared or exploited and then it becomes packaged useful knowledge (Zhou & Fink, 2003; Stewart, 1998).

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[i] Not used in a pejorative sense, described by Edvinsson (1997) as "degrading terminologies"

To underscore the significance of IC, for some companies it represents a greater proportion of their market capitalisation than tangibles assets e.g America Online and Microsoft have around 90%, BP have 74%, and 3M have 82% of their market capitalisation value as intangibles (Mayo, 2001; Edvinsson, 2002).

Therefore, how does Intellectual Capital Management (ICM) differ from KM?

Intellectual Capital cannot be managed unless it can be located in places within the organisation which are strategically important[i] and where management can make a difference (Stewart, 1998).

Hence, ICM is focussed on value creation and extraction and usually considered at the strategic and top management levels whilst KM focuses on tactical and operational implementations of knowledge related activities (Wiig, 1997a; Edvinsson, 1997).

The aim of ICM is to create and leverage intellectual assets and to improve a firm's value creating capabilities from a strategic perspective whilst KM is concerned with detailed knowledge-related activities to facilitate knowledge creation, capture, transformation and use; with an ultimate aim to pursue a more intelligent organisation by creating and maximising IC (Zhou & Fink, 2003; Wiig, 1997a; Edvinsson, 1997)

In other words it appears to this writer that a successful KM initiative (*or practice*) would create an intellectual capital for an organisation and the strategic management of this IC would ensure not only the sustenance of value creation but engender new innovation and competitiveness of that organisation. Both of them are the building blocks to manage the organisation in twenty-first century, and should be integrated to maximise effectiveness (Wiig, 1997a).

Thus, this Researcher would suggest that Skandia's model can be effective for any organisation by simply converting the employees' knowledge into the organisation's structural capital (inclusive of information & product management) and the externalisation of this process to achieve customer satisfaction. This view is supported by Egbu *et al* (2001) who stated that because people create, generate and share knowledge, KM is, therefore, about people and the social networks created in an

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[i] Its people, structures and customers

organisation. Also, the management of knowledge is intrinsically linked to the management of people and the processes that facilitate knowledge generation

KM will be considered by this research as the process of systematically creating, adopting, retrieving, transferring & controlling information, knowledge and know-how in a commercial property company, for the purpose of enhancing its service delivery, improving net worth and achieving its corporate goals. In a changing environment, the organisational structure, human resource and work place culture must be constantly reassessed in order to improve (or maintain) its intellectual capital.

2.5.2   Culture & Change - KM as a Product or Process

How does the individual's knowledge translate to Organisational knowledge and what is required to convert employee mindsets into organisational intelligence? (Darwin et al, 2002) What role does the organisation's culture play?

Darwin et al (2002) conceive culture within a group as the discrete meanings that members give to past, present and anticipated future experience and the ways in which these meanings are shared. It can also be seen as the sum of the core values[i], which are the organisation's essential and enduring tenets (Collins & Porras, 1996).

The concept of Organisational culture is considered to be an essential element of change management and renewal (Moffett et al, 2003; Darwin et al, 2002; McAuley & Shanahan, 1994; Pettigrew, 1990). Particularly, the human factors comprised in culture are regarded as key determinants of both effective business performance and the management of change. Therefore, to change an organisation's knowledge culture, the people values, norms and attitudes must be understood and modified so that they make the right contribution to the collective knowledge culture of the organisation. These changes must address any inherent conflict between individual and group interests and the manner of structuring power, authority and control within the organisation (Handy, 1989; Peters and Waterman, 1982; Meek, 1988).

Directly related to the issue of organisational culture is that of individual mindset (viewed as sets of mental models or units of understanding, arranged in a series Mak, 1999). Darwin (2002) argued against the notion of organisations being pervaded by a

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[i] It has been suggested that both core values and ideologies can have dysfunctional & functional elements Trice & Beyer (1993)

unifying mindset but suggested that there may be dominating discourses, which emanate from the mindsets of particular powerful (sub) groups.

Hence, an organisation can have a knowledge culture where KM is expressed through the application of various knowledge initiatives, tools and techniques. It becomes a 'knowledge organisation' when KM is totally ingrained within the operations of the organisation (Moffett et al, 2003).

Davenport & Prusak (1998) see knowledge as often embedded not only in document or repositories but also in organisational routines, processes, practices, and norms. They posited that knowledge can and should be evaluated by the decisions or actions to which it leads.

The concept of coding and transmitting knowledge in organisations is not new: training and employee development programmes, organisational policies, routines, procedures, reports, and manuals have served this function for many years. What is new and exciting in the KM area is the potential of using modern information technologies (e.g internet, intranets, browsers, data warehouses, data filters and software agents) to systematise, facilitate and expedite firm-wide KM (Alavi and Leidner, 1999).

"Codification and abstraction often run closely together, so much so that that they are frequently confused. They are, however, quite different. The former gives form to phenomena and the second gives them structure" (Boisot, 1999). Going further, diffusibility of information establishes its availability to those who want to use it but does not measure adoption. Hence information may be widely diffused yet remain unused – these three dimensions make up the I-Space model of Boisot.

A perusal of the literature on KM by Mentza et al (2001) showed two broad approaches to delivering KM, which are:

(1) The *process-centred* approach mainly understands KM as a social communication process. In this approach, knowledge is closely tied to the person who developed it and is shared mainly through person-to-person contacts. The main purpose of information technology in this approach is to help people communicate knowledge, not to store it. This approach is also referred to as the "personalisation" approach.

(2) The *product-centred* approach focuses on knowledge documents, their creation, storage and reuse in computer-based corporate memories. This approach is also referred to as "content-centred" or "codification" approach[i].

Also alternative labelling of the approaches that focus on explicit knowledge (managing process & ICT) is known as mechanistic; and management of tacit knowledge (through story telling and communities of practice) as organic (Kamara et al , 2002).

2.5.3 Workspace and KM

If organisational knowledge culture or intelligence is made up of the summation of employee mindsets and structural processes, what impact does the work place have on the formation of employee attitudes and group norms?

Researches have shown that objective characteristics of the physical work environment have an impact on outcome variables such as satisfaction, motivation, behaviour during discretionary periods, spatial markers and performance (Becker, 1981; Carlopio & Gardner, 1992; Wineman, 1986)

In a study by Holtham & Ward (2001) they concluded that buildings and the space they embrace play a vital role in the intangible area of KM and suggested that in the haste to implement technology-focussed KM initiatives by organisations, this factor has often been neglected.

Writers on the concept of KM & Workspace (Turnwall, 2003; Steelcase, 2003) concur with the above assertion, and argue that as more companies focus on the role of knowledge in their business success, the ways their people communicate become a critical factor for the design of the workplace e.g creating both visual and auditory contact if team work is important, enabling chance encounters with the design in order to encourage interaction (both spontaneous and structured) and knowledge sharing. Amongst practical examples of where KM principles have been applied to work place is Skandia Futures Centre, UK Post Office Innovation Centre, Ernst & Young Accelerated Solution Environment.

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[i] Also alternative labelling of the approaches that focus on explicit knowledge (managing process & ICT) is known as mechanistic; and management of tacit knowledge (through story telling and communities of practice) as organic (Kamara et al , 2002).

In a similar vein, Szilagyi et al (1979) argued that the changing of office configurations is more than an aesthetic exercise. They posited that it is a significant organisational change intervention that can influence the attitudes and performance of the employees affected by it. Whilst they acknowledged the rising costs of leasing and operating expenses, they suggested that space savings and flexibility benefits will become increasingly important. However based on their study, they concluded that open plan offices are not for everyone, and that where the plan is adopted, certain key factors[i] in the organisation must be carefully considered. Only through careful design and implementation can companies reap the benefits of such a change.

Using the workplace as a strategic asset can change the way an organisation works. Providing diversity, achieving trust, overcoming barriers, supporting face time and leveraging the role of the workplace are activities essential for supporting collaboration. In turn, increasing the level and quality of collaboration can change the way people work to improve collaboration, build social and intellectual capital (Stephenson[ii], 2003) and enhance innovation. When the quality of collaboration improves, the speed and quality of work would improve and ultimately, so does the bottom line (Steelcase, 2003).

Ward & Holtham (2000) however criticised arbitrary adoption of café cliché by designing places for serendipitous encounter in workplaces which are invariably avoided by employees when they need to discuss with ease. Hence they warned against potentially negative impacts of authorising social contact.

This writer concurs with the conclusion of an essay on collaboration on the the Steelcase website (2003) which states that designing a high-performance collaborative workplace (*both real and virtual*) is a complex undertaking that requires the skills of a variety of disciplines, including architects, designers, anthropologists, workplace experts (*Facilities Managers?*) and communicators. The essential principle is based on designing for people, incorporating technology, embracing culture and innovation as means of enhancing intellectual capital.

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[i] The state of employee morale, workflow requirements and job characteristics
[ii] Karen Stephenson, a cultural anthropologist who studies social interaction in the workplace,

2.60   Is KM a passing Fad or Fashion?

Is knowledge management just another new management fad, driven by the proponents who are desperate for a new product or concept to market? Or is it a meme (Price & Shaw, 1998) spontaneously evolving in response to organisational need to shift the patterns of management in the 21st century?

The study of Management Fashions or Fads is an assessment of the rise, popularity and longevity of management concepts. Management Fads are proffered as a response to performance gaps (Abrahamson, 1996) perceived to be progressive or preferable to pre-existing fashions (Abrahamson, 1991) or are innovative, functional and aimed at better organisational performance in changing technical, economic and environmental climate (Abrahamson & Fairchild, 1999; Caleche & Lilien, 1986; Jackson 1997; Nystrom & Starbuck, 1984).

However, whilst the management discipline gets regularly bombarded with dramatic claims of 'new knowledge creation' (Romei, 1995) from both academics and self proclaimed gurus (Jackson, 1996), fashion bashing itself is becoming fashionable (Carson et al, 2001) despite surprising little empirical inquiry to support either side of the divide (Worren, 1996 and Askenas, 1994).

Hence, management fads & fashions are seen as negatively correlating with the difficulty of implementation (Carson et al, 2001) having mass appeal (Abrahamson, 1991) as important (Dreilinger, 1994; Rowley, 1999) as useless (Donalson & Hilmer, 1998) as trivial (Gordon, 1997) only adopted by a frenzied few (Kieser, 1997), as rhetorics correlating with macroeconomic & macropolitical changes (Abrahamson, 1997, Eccles et al, 1992), and lastly as old wine in new bottles (Darwin et al 2002).

Grint (1996), account for the rise of KM by identifying its ability to 'generate a resonance with popular opinion', encompassing 'symbolic and cultural', 'economic and spatial', and 'political and temporal' resonance.

KM is not easy to define and many definitions supplied in the literature are highly ambiguous. The ambiguity of the concept, however, is itself a clue to the fashion-setting possibilities; ambiguity makes KM amenable to multiple interpretations and remouldings, which potentially extend its relevance across different communities of practice (Scarborough and Swan, 1999).

According to a survey conducted by Harris Research Centre in UK in 1998, only 2% of the respondents considered KM to be a fad (KPMG, 1999). Of 100 leading UK firms, it also found that a staggering 43% of respondents were undertaking some kind of KM initiative (KMPG, 1998). However, this does not appear to be synonymous with making effective use of all intellectual assets available to organisations, because a revelation by the Gottlieb Duttweiler Foundation states that only 20% of knowledge available to an organisation is actually used (Brooking, 1996).

Further, Chong et al (2000) revealed that Practitioner oriented research, both of US and European origin, points to a general consensus concerning the importance of knowledge as a basis of competitive advantage and superior operational effectiveness (Skyrme and Amidon, 1997; Cranfield Information Systems Research Centre, 1997; KPMG Management Consulting, 1998[1]; PricewaterhouseCoopers and World Economic Forum, 1999).

However, separate surveys by Scarborough et al (1999) and Tinaikar et al (1995) reveal that KM is essentially different from Learning Organisation but appear parallel to Business Process Re-engineering, with many common themes. In the study by Scarborough et al (1999) a decline in interest in LO references since 1995 has been mirrored by a sharp increase in references to KM - there were more references to KM in the first six months of 1998 than cumulatively in the previous 5 years (see Fig B-4). The rapid rise in popularity of KM relative to the precedence of other management concepts, led them to hint at the possibility of an impending decline.

<u>**Search Terms: ProQuest 'Hits'**</u>
Numbers (per six-months) 1990 - 1998
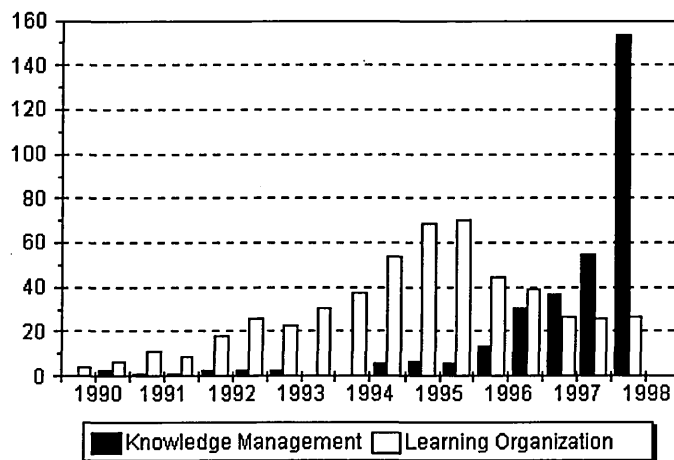
Fig B-4: Management Fads- KM Growth

Source: Scarborough, Swan & Preston (1999)

They posited that the emphasis on the role of users and on knowledge produced at the point of application is entirely consistent with their analysis of the diffusion and implementation of KM. They observed further that while much of the literature on KM is prescriptive or technology-driven, the ambiguous and pervasive character of knowledge empowers a wide range of interpretations and initiatives by the 'users' of this discourse.

Finally, Scarborough et al (1999) concluded by arguing that the translation of the nebulous vocabulary of KM into organisational practices is not so much a determinant of action as a trigger of it. Hence, KM practices within firms need to be seen as less a function of fashion than of mediated organisational responses and interpretations.

However, in a separate study of the concept of Management Fashion lifecycles, Abrahamson & Fairchild (1999) suggests that:

- Variability in the transience of Management Fashion promotion by knowledge entrepreneurs explains variability in their lifecycles;
- That historically unique conjunctions of forces, endogenous and exogenous to the management fashion market, trigger and shape management fashions and
- That emotionally charged enthusiastic and unreasoned discourse characterises the upswings of management fashion waves whereas more reasoned unemotional and disqualified discourse characterises their downswings, evidencing a pattern of superstitious learning[i]

2.6.1 Formulation of KM as a Benchmark

In a significant confirmation of the importance of KM to the British & European Economies, the BSI in 2002 set itself a task, in the public interest, to:

> "To demonstrate the informed clarity that will allow business, government and other organisations to carry out assessments and make decisions through an impartial review of the differing aspects of Knowledge

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[i] Refers to demand or supply driven socio-psychological forces which correlate the relation between anxiety generating performance gaps across organisations and market offer of packaged solutions in the form of simple, all powerful, quasi-magical techniques that promise to blunt the sources of anxiety Smelser, 1962 Turner & Killian, 1986)

Management, coupled with an understanding of the context within which they may occur" (BSI, 2002).

To achieve this, it issued *'Knowledge Management PAS 2001: A Guide To Good Practice'* in 2001. This is the first of its kind by a global Standards Organisation and it was co-authored with PricewaterhouseCoopers. It agreed with the UK Govt to develop a consistent approach to developing and harnessing KM.

Generally, the KM Committee of BSI acknowledged the increasing complexity and confusion existing on KM, and the potential benefit of a standardised framework of concepts that could facilitate greater adoption and utility of KM by various industries in UK.

In the long run, BSI intends to liase with other global standards organisations and issue a CEN or ISO full standards on KM – to include a glossary of acceptable terminologies, Guides to Good Practice, Measurements of benefits & effectiveness of KM etc.

2.70 Limitations of KM

2.7.1 KM as product oriented initiatives-

A limitation of KM that places a non-balance emphasis on either product or process was identified by (Bhatt, 2001). He pointed out that the coordination of different phases of KM in a comprehensive process of knowledge creation, validation, presentation, distribution and application is critical. This is because short-circuiting any of the above phases may result in less than optimum outcome of the KM. According to him, if management is serious about making KM a priority of the organisation, it will require reconsidering analysing the balance between technological and social facet of the organisation. Putting too much emphasis on people or technologies is not sufficient; rather management should revisit the interaction pattern between technologies, people and techniques

Analysing the limitations further, Scarborough & Swan (1999), noted that many of the practices, recipes and tools associated with KM are mechanistic in their treatment of knowledge. Important issues such as the influence of organisational context, the

limitations of IT, or the significance of tacit or situated knowledge are frequently glossed over.

A schematic categorisation (see Table B-2) of KM literature by Scarborough et al (1999) shows the occurrence of IT and IS in about 70% of literatures searched to the neglect of human issues

1998 KM Thematic Categories	Count	%
Information Technology	73	40
Information Systems	51	28
Strategic Management	35	19
Human Resource	9	5
Consultancies	8	4
Others: Libraries, Academic, Accounting, Marketing	8	4

Table B-2: KM Thematic Categories Scarborough, Swan & Preston (1999)

This Researcher's perusal of numerous publications on KM[i] reveals that, more often than not, they are disguised commercial advertisements for specific tools and/practices. Undue emphasis appear to be placed on products over processes, which has longer periods of engagement due to the requirement for trainings to achieve fundamental organisational change – with attendant risk of objective scrutiny or employment of outcome metrics by clients. In any case the dissemination of such discourse as a tool to shaping management techniques is allegedly done in order to trigger their diffusion (Abrahamson & Fairchild, 199; Meyer, 1996; Baum, 1998, Meyer, 1996 and Darwin et al 2002)

However, this IT/IS focus of most KM consultants and practitioners become more significant in relation to failed KM initiatives when evidence from US of over $1 trillion investment in IT shows no relationship between company performance and such expenditures (Lang, 2001; Malhotra, 1998).

Swan et al (1999) also revealed that Ebank, which was one of Europe's biggest spenders on IT, had little to show in the form of improved business performance (through provision of integrated services) for the intranet(s) developed.

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[i] For example Know–Net model by Mentza (2002)

Lang (2001), sees the disconnect between IT expenditures and the organisational performance as attributable to managerial ignorance of ways in which knowledge workers communicate and operate through the social processes of collaborating, sharing knowledge, and building on each other's ideas.

In addition to ignorance, (Bhatt, 2001) believes that there is also a problem of interpretation, as only for a narrow range of problems has IT successfully been used for interpretation purposes. In a dynamic business environment, where an organisation faces unexpected and novel problems, IT, at best can be used as an enabler to turn data into information. It is only through people that information is interpreted and turned into knowledge By coordinating the pattern of interaction between its members, technology and culture an organisation can work with complex and novel situations (Hutchins, 1991; Weick & Roberts, 1993).

2.7.2 Codification of Tacit or Implicit Knowledge-

Physical infrastructures may capture explicit knowledge, whilst tacit or implicit knowledge is difficult to codify and capture without decontextualising information or oversimplifying data; regardless of the ontology of any specific representational methodology or technology (Lang, 2001).

This writer concurs with Swan et al (1999) in their summation that sometimes attempts to codify tacit knowledge may only produce knowledge which is: useless (if it is too uncertain); trivial (if it is too unimportant); redundant (if it subject to continuous change); irrelevant to a wider audience (if it is too politically sensitive); inaccurate (if it is too valuable and is therefore secreted by the knower). Tacit knowledge, therefore, cannot easily be articulated or transferred in explicit forms and the interplay between change imperatives, employee mindsets and the organisational culture is a key determinant

2.7.3 U.K lag behind USA in KM Initiatives

While the mainstream literature on KM is overwhelmingly optimistic (Storey & Barnett, 2000), many KM initiatives do not adequately align with the corporate strategies of the decision makers (Davenport, 1998; Ruggles, 1998).

UK companies lag behind their US counterparts (Chong et al, 2000; Weatherhead, 1997) particularly in making knowledge pay in terms of performance and results

(Department of Trade and Industry, 1998). This may partly be due to the fact that the deployment of knowledge management activities in US companies was found to be led and supported by top management such as chief executive officers, chairmen and directors. In contrast, findings from the Cranfield Information Systems Research Centre (1997) indicated that for UK companies, middle managers - not CEOs - were observed to be the agents of knowledge management. While knowledge managed in a local context or at the operational level was deemed to have an immediate impact on performance, top-level support is crucial in establishing a fit between organisational strategic vision, performance objectives and cultural enablers.

Finally, the measurement or quantification of the impacts of KM, especially in a service organisation, remains an enigma currently being explored by management consultants and researchers.

2.80   Measurement or Quantification of KM Initiatives

"What is an asset? An Accountant would reply that an asset is a stock from which a number of services are expected to flow for less than a year; in the case of fixed assets, they are expected to flow for more than a year. Knowledge assets are stocks of knowledge from which services are expected to flow for a period of time that may be hard to specify in advance" Boisot (1999, p.3).

Organisations do not sufficiently recognise knowledge contributions because the conceptualisation and measurement of knowledge capital as a primary organisational asset remains rudimentary. Extensive traditional systems allow managers to track their use of economic capital but such systems cannot easily accommodate knowledge capital. The typical economic good is divisible, appropriable, depletable, scarce, depreciates and shows decreasing returns. But knowledge is just the opposite. Without realistic and robust measures of knowledge capital, managers will revert to economic capital (Lang 2001).

One reason for this inertia, according to Boisot (1999) is that energy-based events are much still easier to observe and measure; Managers are vaguely aware that know-how and knowledge are a good thing, but find that it remains a highly elusive phenomenon. Unlike physical assets, knowledge assets can be shared with others and retained at the same time. However, there is no meaningful economic correlation between

knowledge input and knowledge output. The value is not necessarily related to the acquisition cost and this makes it impossible to accurately quantify (Stewart, 1998).

In an appraisal of an Australian public sector initiative, Gooijer (2000) proposed that KM performance measures needed to be embedded in the overall business performance model of an organisation and not be a marginal add-on to the core measures. He reviewed various models of intellectual capital measurement and opted for a modification of the balance scorecard model of Kaplan & Norton (1996), in which an organisation measures its performance in four key result areas:

- Financial performance;
- Internal business processes;
- Customers; and
- Growth

Kaplan and Norton first introduced the idea of a Balanced Scorecard in the January - February 1992 issue of the *Harvard Business Review*. The need for such a tool emerged out of a growing recognition that financial measures alone were insufficient to manage the modern organisation. They argued that much of the work done in organisations today is preparation to achieve financial goals - achieving process innovations, training workers, forging new kinds of relationships with customers. Although these activities are cornerstones of successful organisations, few are able to manage them effectively, or demonstrate how they contribute to the realisation of their missions. Stewart (1998) reports that there are alternative means of measuring intellectual capital (the whole rather than HR type of measures for Human Capital, PR type for Customer Capital & accounting measures for Structural Capital). This depends on finding rigorous ways to track and correlate these measures with financial results, such as:

- **Market – To – Book – Ratios (MTBR):** This is simply the difference between any company's market value and book value (equity portion of a company's balance sheet after debt is stripped out[i]). This could be expressed as ratios instead of direct line calculations. However, this measure has limited use as it is influenced by many exogenous factors and depends on the accuracy of the account. Further, with regards to this research, it is usual for private property companies to determine

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[i] Also net worth

networth or profit via their profit & loss account but not market value (which is common with only publicly quoted companies in UK);

- **Tobin's Q (TQ):** Developed by the Economist and Nobel Laureate James Tobin (1968), it compares the market value of an asset with its replacement cost i.e for a building, this would be market value divided by replacement cost. It was developed as a means of predicting corporate investment decisions independent of macroeconomic factors.

As a predictive measure, if Q is less than 1(asset worth less than replacement cost) then it is unlikely a company will acquire more of this asset type and vice versa. Tobin assumes that the market value of an additional unit of capital equals the average market value of the existing capital stock. Hence unless an investment of one pound increases the market value of the firm by more than a pound, there is no reason to invest. According to Tobin, this measure ought to be compared over a period of years. However, it is the opinion of this writer that this measure is too simplistic to be relevant to commercial property market as a significant tool for prediction. This is because investors buy investment properties based on the market values, they however buy development properties not only based on the market values at the point of purchase but their assessment of its residual values. Hence, it is the relative ability to accurately assess the redevelopment values (or market values at ERV of investment properties) in relation to replacement costs of purchased assets that is likely to influence subsequent purchase patterns – thus the emphasis on exit yields or running yields in comparison to initial yields in this industry. Most importantly except REIT of publicly quoted companies, it is difficult to determine unitary values of private property companies.

- **Calculated Intangible Value (CIV) -** Developed by NCI Research (affiliated with Kellogg School of Business at Northwestern University). It assumes that a company's value includes not only its tangible physical assets but a component attributable to the company's intangible assets.

Hence, this is determined by average earnings (pre-tax) divided by average year-end tangible assets for same period (return on assets -ROA). The industry average ROA (for same period & companies of same classification) is then compared.

The excess return attributable to 'intangible assets' can be determined by multiplying the industry's average ROA with subject company's average tangible assets and compared with the subject company's average earnings. In UK however, the ROA is not a variable reported in company accounts and the intrinsic differential in portfolio makeup between companies of similar sizes would render

this variable unreliable in the commercial property sector. Apart from corporation tax, many other forms of land taxes are levied at transaction levels before the compilation of end of year accounts, hence the treatment of VAT, capital allowances, stamp duty, business or empty property rates, exemptions, reliefs etc will equally influence declared earnings of similar companies. Hence, only variables like net worth, turnover, income returns, capital growth, yields etc are accepted as equitable and relevant basis of comparison in the property sector in UK – yet these are subject of much controversy as discussed later in this study.

- **KM Spectrum -**   Originally developed by Binney (2001) of the Computer Sciences Corporation in US, the KM Spectrum was formulated to categorise the various KM literature and models within a given framework that will allow for common understanding.

	Transactional	Analytical	Asset Management	Process	Developmental	Innovation & Creation
Knowledge Management Applications	• Case-Based Reasoning (CBR) • Help Desk Applications • Customer Service Applications • Order Entry Applications • Service Agent Support Applications	• Data Warehousing • Data Mining • Business Intelligence • Management Information Systems • Decision Support Systems • Customer Relationship Management (CRM) • Competitive Intelligence	• Intellectual Property • Document managemen t • Knowledge Valuation • Knowledge Repositories • Content Managemen t	• TQM • Benchmarking • Best Practices • Quality management • Business Process Re Engineering • Process Improvement • Process Automation • Lessons Learned • Methodology • SEIICMM, ISO9XXX, Six Sigma	• Skills development • Staff Competencies • Learning • Teaching • Training	• Communities • Collaboration • Discussion Forums • Networking • Virtual Teams • Research & Devpt • Muti-disciplined teams
Enabling Technologies	• Expert Systems • Cognitive Technologies • Semantic Networks • Rule-based Expert Systems • Probability Networks • Rule Induction, Decision Trees • Geospatial Information Systems	• Intelligent Agents • Web Crawlers • Relational & Object DBMS • Neural Computing • Push Technologies • Data Analysis & reporting Tools	• Document Managemen t Tools • Search Engines • Knowledge Maps • Library Systems	• Workflow Management • Process Modelling Tools	• Computer-based Training • Online Training	• Groupware • e-mail • Chat Rooms • Video Conferencing • Search Engines • Voicemail • Bulletin Boards • Puch Technologies • Simulation Technologies
• Portals, Internet, Intranets, Extranets						

Table B-3: KM Applications & Enabling Technologies Mapped to KM Spectrum Elements (Source Binney, 2001)

Also he intended that this framework (see Table B-3) would serve as a checklist of KM applications and technologies to assess an organisation's current level of KM related activity and subsequently plan for future KM investments. It consists of six 'elements'

namely, transactional, analytical, asset management, process based, developmental and innovation/ creation knowledge management.

The key elements of the spectrum represent the synthesised details of contemporary KM literature as follows:

1. **Transactional KM** - The use of KM is embedded in application of technology and presented to a user in the course of completing a transaction e.g CBR (Davenport & Klahr, 1998). Whilst there may be a choice with what the user does with the knowledge presented, the access and presentation are however not optional;

2. **Analytical KM** - This provides interpretations of or creates new knowledge from vast amounts of disparate sources of materials. Trends and patterns are derived from large amount of data or information. such may used to analyse market competitors (Elliot, 1999a; Fuld, 1994);

3. **Asset Management** - This focuses on the management of asset knowledge, such as codified explicit knowledge (Guthrie and Petty, 1999) or intellectual property (Teece, 1998). Analogous to a library and catalogued assets are made available for unstructured access;

4. **Process-based KM** - this refers to the codification and improvement of process, also known as work practices, procedures or methodology. This may include internal lessons, benchmarking etc (Feltus, 1995; Hill, 1999);

5. **Developmental KM** - this covers increasing the competencies or capabilities of an organisation's knowledge worker, otherwise referred to as human capital (Edvinsson and Malone, 1997);

6. **Innovation/ creation KM** - This refer to the provision of an environment in which knowledge workers ,often from differing disciplines, can come together in teams to collaborate in creation of new knowledge (Nonaka and Konno, 1999)

However, whilst the formulation of a KM Spectrum to map level of KM development in an organisation is novel, Binney's framework is disproportionally product-centred. It creates simplistic boxes of 'systems or applications' and 'enabling technologies' to slot all KM related events and products into. This is typical of theories and concepts originating from ICT based proponents whose ultimate goal is (*usually but not always*) the conviction of potential clients to acquire additional software or hardware to deliver

the elusive perfection in their knowledge disequilibrium – euphemistically dubbed by Binney as "a checklist of KM...to plan... for future ...investments" .

Hence, a new KM Spectrum based on the Skandia model adopted in this research will be formulated and utilised by this writer to assess the level of existing KM initiatives in NW property companies.

In addition to the above, Stewart (1998) recommends many other measures for each of Human, Structural and Customer Capital, such as Innovation Measure, Employee Attitude Measure, Tenure-Turnover-Experience-Learning Measure, Knowledge Bank, Valuing Stocks, and Customer Satisfaction Measure etc. However a critical perusal of most of all these measures reveals a lack of industry acceptance due to their subjectivity, suspect validity and reliability.

In the UK property industry, based on the recognition of the increasing importance of IC in the overall market capitalisation of companies, a research carried out for the RICS argued for the adoption of contemporary valuation techniques in the determination of value. It acknowledged the difficulties with this approach in the Table B-4 (IC replaced with the synonym IAs – Intangible Assets) :

IAs characteristics	Impact on valuation
Blurred company boundaries	Dependency upon the value chain of other companies. Eg, a company that develops and produces parts for a car manufacturer may depend more on the success of the car model in which the parts are incorporated, than of the attributes of the component itself.
Weak property rights	Difficult to identify who will be the 'owner' of the expected flow of benefits generated by the IA in the future. Eg, who owns the knowledge that results from a company's investment in training
Not visible	Difficult to identify how IAs affect the profitability of a related product or service. Identifying the contribution of say, an airplane, to profitability is fairly straightforward, but evaluating an alliance or a network is more complex.
Inter - dependent Value	Difficult to estimate their individual value. Eg, the value of a brand in the

Inter-dependent value	high tech sector may depend upon the ability of the company's research and development team to generate new innovations.
Going concern	As the value of an IA depends on the continuity of the firm IAs are especially threatened by bankruptcy risks.
Risk and uncertainty	Due to high failure rates, it is difficult to estimate any future cash flows (especially if these cash-flows are spread over a long period of time).
Irreversible and sunk investment	IA valuation is extremely sensitive to assumptions made in valuation models, since these two characteristics reduce the likelihood that market prices will be stable.
Asset-specificity	A specific IA's value may be greater if it is used in the company that created it than in any other company. Market multiples (when they exist) may not be relevant for valuation purposes. Eg, a frequently company-specific IA is the internal organisation that leads to better performance within the company.
No rivalry	No opportunity cost (the use of an IA in one activity does not stop its use in another). Remember, exploiting the IA's value is limited by market size rather than the productive ability of the asset.
Network effects	'Network value' must be incorporated in the value of the IA. Eg, the demand for a software program depends not only on its own characteristics but also whether it is compatible with other software.
Non-tradability	By definition, market-based valuations reflect the 'true' value of any asset. But since there are no liquid or clear markets for many IAs, the use of market-based methods is limited.

Table B-4: Constraints of Valuing Intangibles (RICS, 2003b)

This research (carried out by the Manchester Business School) considered the four main valuation methods, viz:

- Cost Approach
- Market Approach

- Income Approach (or Liquidity Approach if not under open market conditions) and
- The Real Options Approach

All the methods are quantification-based methods requiring estimation of costs and income or revenues. Hence, the paradox, inconsistency and constraints of attempting to apply positivistic metrics to a largely phenomenological variable appear to over shadow the potential outcome of these approaches.

To start with, the ontology of the research on key IC variables is either too narrow or ambiguous and could only value a part of the potential value even if successful in its measure. For instance Customer Capital is taken to be the paying customers or clients of an organisation. This is only a subset of this concept, which represents the value of any organisation's relationship with the external world (such as customer's loyalty, stakeholders, partners, suppliers - Edvinsson, 1997; Stewart, 2000; Zhou & Fink 2003). Hence having limited this to the 'potential value of repeat purchasing by customers in the future' only, this approach then recommended the capitalisation of the income stream to determine the net present value (NPV) which is taken to be the value of Customer Capital. If applied to a Commercial Property Business in this manner, the NPV of receipts from tenants would equate the Capital Value of the properties they occupy – which cannot be right! This would simply mean that the fixed assets column of balance sheets for commercial property companies is their customer capital. Also, the valuation of Human Capital was recommended as the replacement cost of employees thereby conflating cost and value; apart from missing the point on tacit knowledge, which may be unrelated to cost of hiring or training staff.

However, despite its inherent deficiencies, the recognition of the need to ascribe economic value to IC by the valuation institution in UK is indeed a significant step.

2.90 Chapter Summary

In this chapter, this Researcher briefly examined the origin of knowledge and the epistemological difference between the rationalists and empiricists. A balanced position was adopted, which synthesised the two extremes on the knowledge spectrum and allow for both *a priori* and *posteriori* basis of knowledge in varying circumstances.

Further, having examined the distinction between data, information and knowledge, a model was proffered on knowledge typology; whereby relevance and cognitive experiential framework are required for the transition from data to information and knowledge in a cyclical pattern (in either direction).

The ontological difference between knowledge possessed by the individual as different from organisational knowledge was explored in this chapter. This led to a salient distinction between Polanyi's theory on tacit knowledge (1966) and Nonaka & Takeuchi's (1995) reference to it. Whilst the former meant this as a basis for cognitive experience and interpretation, the latter posited that it is knowledge, which is difficult to express and not simply a backdrop to cognition. For the purpose of this research however both *tacit* and *implicit* knowledge will be conflated.

Whilst noting the criticism of the model of Nonaka and Takeuchi (1995) by Garvin (1993), Anand et al (1998) and the potential errors on possession of tacit knowledge (Stewart, 1998), this Researcher agrees that this model is a significant step in the building block of knowledge conversion. It is suggested that only a proportion of tacit knowledge can be or is usually externalised, when this is internalised by the recipient, the end product would not necessarily retain its form or essence and this is the basis on which new knowledge is created.

The study revealed that cultural forces embedded in the organisational need to be harnessed in order to converge individual mindsets to organisational intelligence (Darwin et al 2002) or tacit knowledge into explicit knowledge (Nonaka & Takeuchi, 1995; Davenport et al 1998; Fink, 2000). It acknowledged that the prevalent cultural orientation of any organisation is an endogenous factor impacting on this conversion (Robinson, Carillo, Anumba & Al-Ghassani, 2001).

The concept of IC as a determinant of an Organisation's Market Value, when coupled with the established variable of Financial Assets, was explored. As a result, the complementarity of Intellectual Capital Management and Knowledge Management was further reviewed.

Also, a review of IC ontologies was carried before the adoption by this writer of the Skandia model as a comprehensive representation of the intangible constituents. Ramified propositions on Management Fads were reviewed and this writer

63

acknowledged the relatively constant transience in the discourse promoting various management techniques.

Lastly, KM limitations and the constraints of measurement were critically considered and the writer was unable to concur with the recommended valuation methods of the RICS research group on intangible asset valuation.

Further to a holistic understanding of the dual concepts of KM and IC, the critical outcome of reviews in this chapter is the reconsideration by this Researcher of the original research aim, which was narrowly geared to only a positivistic determination of KM Impacts on Commercial Property Returns & values. More research questions need to be generated which would encompass the diversity of core phenomenological issues embedded in this concept.

Chapter Three

3.0   Introduction to Real Estate Industry

Property ownership and proclaimed rights in land, predates the dawn of civilisation. Possibly, it exists even among the primates and creatures of the wild, through the concept of territorial segregation, habitat selection or natural selection (Darwin, 1859; Storch & Frynta, 2000; CluttonBrock & Guinness, 1999).

In a divergence to evolutionary propositions, the Swiss Philosopher Jean-Jacques Rousseau (1712-1778) suggested in his work (*Discourse on the Origin of Inequality, 1755*) that the first sin was committed when the first man delineated a piece of land and appropriated this as his own. But for this act, humanity would have been spared infinite crimes, wars, homicides and murders. "*Now men had to progress, acquiring knowledge and arts, transmitting and increasing these from generation to generation, before they reach the last stage in the natural human state*" (Rousseau, 1762, pp 19).

For long centuries, most wars were fought for the possession of land, and the average man everywhere lived in close association with the soil, fields, forests, and fishing grounds that provided him with sustenance. The basic and underlying significance of land resources to mankind can never be gauged simply in terms of their relative economic contributions to a nation's economy (Barlowe, 1978).

Many influences have shaped the character of property rights, including economic needs, custom, history, religion and politics. Indeed, the very way in which land has been allocated and held has usually constituted one of the fundamental aspects of a culture, not least because this control has often formed the basis of economic, social and political power (Edington, 1997).

Property (or real estate) is the embodiment of legal or equitable interests in land. In the economic sense, it includes natural resources such as coal, oil, water, natural vegetation and climate[i]. (Abbott, 1987; Ratcliffe,1976, Card, 1998).

Card et al (1998) stated that in traditional legal terms, the concept of ownership of land or property is based on the latin maxim "*cuius est solum, eius est usque ad coelum et ad inferos*", which may be translated as "he who owns[ii] the surface also owns

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[i] Put differently land may be conceived as space, nature, a factor of production, a consumption good, bundle of legal rights, a store of wealth and indeed as a deity (Barlowe, 1978)
[ii] That is, owns a freehold in UK, though legal or equitable assignment of this spatial right is possible

indefinitely upwards and downwards from the surface". The essential characteristics of property are:-

- It is a factor of production;
- It is heterogeneous;
- Generally affords good security for money over a long period;
- It cannot be easily divided into smaller units;
- It can provide a source of income; and
- The total supply of land is fixed.

The characterisation of land resource as a factor of production has led to the concept of *land-use capacity*, which is the relative ability of a given unit of property rights to produce surplus of returns (both tangible and intangible) above the cost of utilisation. Hence the highest and best use is that purpose or combination of purposes for which it has the highest comparative advantage or least comparative disadvantage relative to competing alternative uses (Barlowe, 1978).

3.10   The Property Market:

An advocate of political economy, Adam Smith (1776), described the workings of a market as an 'invisible hand'. The term "market" is an abstract concept concerning all arrangements that individuals have for exchanging a good/product or service with one another. Developments in international communications, trade and technology have enabled the market process to continue the interaction of suppliers and consumers without the need for both parties to meet at a formal location (Warren, M. 2000).

The interaction of supply and demand factors as a mechanism for price determination underpins the concept of a physical or virtual market. Below is a simple demand and supply curve showing price or rent profit determination (Barlowe, 1978, Ball,1998). A situation in which the plans of buyers and the plans of sellers exactly mesh is known as the equilibrium price - E (Myers, 1994).
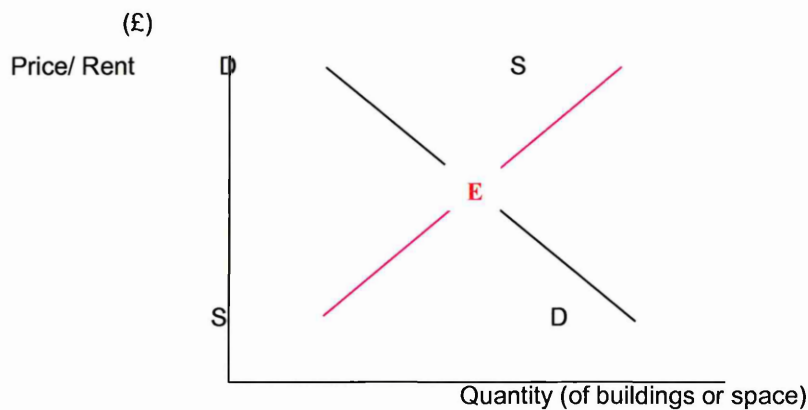
Fig C-1:   Equilibrium Price Determination

According to Barlowe (1978, pp131), "Land rent is the key concept in land economic theory. It provides a theoretical base for explaining the value we place on real estate resources and much of the incentive we have for their ownership. It influences the allocation of real estate resources between individuals and between competing uses. It also has important effects upon leasing arrangements, taxation policies, the economics of land development and conservation, and several other aspects of land-resource use".

The property market consists of a series of smaller markets, each of which is local in nature, but forms an aggregate global market. It can be broadly divided into four components, viz.:-

1. The User or Occupier market;
2. The financial market;
3. The development market; and
4. The urban & rural land market.

Besides being complex in the form of its imperfection, it is also diverse in the range of its activities. Nevertheless prospective investors, in appraising alternative opportunities, will assess the security that any investment affords to capital, the probability of secure and regular income, the expectation of future income or capital growth, the liquidity rating of the investment and the management expense involved in ownership (Ratcliffe, 1976).

Supply and demand factors interact (overtly in a relatively free market or covertly as latent value in a controlled society – Ratcliffe, 1976) to mostly determine rent. It is influenced by variations in knowledge, market expectations and other socio- economic factors – such as transportation, location, access to essential services, statutory regulations, government policies, demographic issues etc.

For there to be full equilibrium in the overall property market, all four sub-markets must simultaneously be in equilibrium. Whilst three of the markets hold commercial property as a stock, the development market creates a flow. It is assumed that new office building takes place only when overall office demand exceeds supply in the existing stock. Development then occurs until the excess demand for offices is satisfied, at which time office building or redevelopment will cease (Ball, 1998)

Alternatively, the property market may be delineated in terms of use and classified into, residential, industrial, commercial, leisure uses.

As a result of the unique characteristics of property as an investment, transactions in interests (legal or equitable rights) are governed by legal and statutory guidelines. An interest comes into existence because a bundle of rights is wanted. No rights would be wanted unless their owners can exclude others from them. These rights must be clearly defined and are capable of long term existence (Harvey, 1981).

Mackmin (1999) described the real estate market in UK in the 1960s and 1970s as one of rapid growth and change. He said new demands of occupiers meant that many of the existing buildings could no longer satisfy demand for modern manufacturing space, large open-plan flexible office buildings, larger retail stores, land to be developed into leisure units and related activities. However with the government's decision to deflate the economy in November 1973 (Fraser, 1984) there was a rapid slow down of market activities, substantial fall in market prices and real estate asset values.

Following the depression of 1973-75, UK experienced another severe economic recession again in 1991-1993.

The property market recession of the 1990s has reinforced the importance of rent. Occupiers are having to reassess their commitment to property as profits become harder to earn and investors are being forced to reassess their attitude to tenants and

to consider the precise value of different lease structures as the standard lease fragments (Lizieri et al., 1997).

The recessions also caused a fundamental rethink in corporate and public sector life. In addition a rapid change in information technology increasingly changed the way that markets react and the way organisations do business. Markets have become global and changes in local markets have become erratic and volatile (Jones & Gibson, 1995).

In spite of this chequered past, the property market in UK continues to grow in importance and diversity. According to Baum (2001), the UK property market employs more people than any other industry and at least 10% of the total workforce is directly employed by the property industry. Though the ownership pattern of many sectors can be directly determined through a perusal of stock ownership on the LSE (London Stock Exchange) or LIFFE (London International Financial Futures & Options Exchange), the value of quoted companies in the property market is however a minor fraction of the whole. This is because owner-occupation dominates the residential, manufacturing and public sectors of the market.

The commercial property market can further be segregated by:
- Ownership (quoted companies, public or private ownership);
- Use (retail, leisure, office and industrial),
- Location (regional, urban and rural) or by
- Quality (newly built or refurbished).

Property Companies & Consultants:

Players comprise both quoted and private companies whose activities include developments, investments or fund management within the market.

In terms of professional activities, the predominant organisation is the Royal Institution of Chartered Surveyors (RICS), which represents over 110,000 members in 120 countries, with over 84,000 members in UK. It is an independent not-for-profit organisation that regulates and steers the activities of its members in UK. Other bodies are Institute of Revenue Rating & Valuation (IRRV), British Institute of Facilities

Management (BIFM), National Association of Estate Agents (NAEA), British Council for Offices (BCO) and Chartered Institute of Building (CIOB).

Price, Green & Matzdorf (1999) observed that the surveying profession have as constraints to organisational learning the emphasis on individuality and the syndrome that learning is only for those not qualified or knowledgeable.

Significantly, all the professional bodies in the property industry now place emphasis on continuous professional development through learning and retraining in order to cope with a fast changing work environment, technology or enabling tools and customer knowledge base. This is a conscious effort by these bodies to seize the initiative and drive their members forward into the evolving knowledge era.

However, does the property profession have a culture of sharing knowledge? Not according to Nunnington & Kennie (2002) who posit that the traditional focus on transactional fee earning operations and arms length relationship with the client does not assist in the development of a culture to promote externalisation of tacit knowledge or the creation of learning organisations.

This study will focus on the activities of privately owned commercial property investment companies, because the management policy of their assets are more discernible and possibly the effectiveness can be isolated from other market variables – unlike segregated funds, Authorised Property Units and other quoted instruments which are subject to multi-level decision making tree (French & French, 1997) modern portfolio theories (based on complex projections of volatility & gearing) and statutory regulatory bodies.

3.20 Property Management: Drivers of Change

Essentially, property management is a professional activity that assists owners in achieving their investment objectives[i] through delivery of quality services. In consequence, the scope of the property manager's duties is wide. Some act as consultants, recommending ways of remodelling a property or changing its use in order to maximise income. Corporate real estate competencies have changed from merely

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[i] Usually by maximising returns, minimising costs or enhancing property values

technical stage through analytical, problem-solving and business planning stages to reach the need for real estate experts to have strategic competencies (Walters, 1979; Joroff & Others, 1993).

Weatherhead (1997), states that, changes during the 1990s have resulted in an increasing gap between those organisations, which have addressed the need for corporate real estate strategies and corresponding management requirements, and those that have not. The latter are ignoring management of a resource, which, on average, is 30% of their fixed asset value. Typically, research by Avis & Gibson [1995], found that management of real estate assets is reactive rather than proactive.

Also, research for Hillier Parker (Bannock and Partners, 1994) has suggested that a 5% savings in real estate costs will result in up to a 1% saving in total costs, in retailing, with less impact in other sectors.

In the information age, consumers of commercial properties (both tenants & buyers) have access to historic data and online information, which widens their choice and enlightens them on the opportunity costs of any choice (in legal, economic and physical terms). Laundon & Starbuck (1996) argue that professional firms may have more difficulty in sustaining monopolistic positions than other knowledge based firms and that their products are easy to imitate and their positions precarious.

Utilising the tornado concept[i] as a change management tool for professionals in the property industry, Nunnington & Kennie (2002) identified the drivers to include removal of knowledge monopolies, increasing challenge to traditional management concepts, increasing pressure on professional institutions to justify their roles, advent of property outsourcing as a strategic choice, the unitisation of property as an investment medium, technologically induced modifications to workplace culture and increasing demand for a partnership role between landlords and tenants.

In response to these drivers of change, there is an increasing array of property management methods, such as product differentiation through life-style marketing, flexibility of tenure, over-lapping product life-cycles, outsourcing and vertical integration. Innovative space utility designs[ii], radical changes in occupation

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[i] Introduced by Moore (1995) – where discontinuous change can leave professionals in the relative calm in the centre of paradigm shifts akin to a tornado effect.
[ii] This is also related to the need to facilitate KM through Workspace design (Ward & Holtham, 2000)

characteristics (such as hotelling, hot-desking, touchdown spots, bundling, cyber-cafes etc) are amongst these techniques of minimising cost and maximising returns or adopted in order to meet the challenge of providing competitive products (Weatherhead, 1997; Edington, 1997; Avis & Gibson, 1995, McAllister, 2002).

Commenting on the pressure on landlords to innovate, McAllister (2002) states that the supply of services by landlords is being facilitated by the emergence of web-based technologies and driven by increased pressures on landlords to be innovative and customer focussed. The demand is being created by the trend for businesses to outsource non-core functions. As a result, landlords are beginning to 'bundle' space and services provision to tenants.

the property challenge model

Knowledge Economies and the rise and rise of the Internet:
CHALLENGE
To offer more analysis and services that the client cannot do for themselves

The changing nature of diversity:
CHALLENGE
Re-appraising economics: the dynamics, linkages globalisation and transparency of real estate investment.

Market Fragmentation and Customer sophistication:
CHALLENGE
Greater understanding of the sub-market dynamics and customer preferences

The Real Estate Profession:
firms
professional bodies
Individual consultants

The rise of a service led approach:
- public / corporate PFI/PPP
- Corporate PFI/PPP:
- competitive advantage through diversified landlord services
CHALLENGE
the adoption of a service led culture

Widespread adoption of Unitisation/Securitisation.
CHALLENGE
Greater understanding of Investment options and investment appraisal techniques

Clients demand Holistic, client focused and Integrated solutions:
CHALLENGE
Greater understanding of business; unification of organisations expertise and the breaking down of transaction based departments.

Changing nature of real estate products / services:
CHALLENGE
New valuation methodologies/ global standards. Reappraisal of risk/liquidity and Investment characteristics. More flexible and demanding Education and Professional training

Fig C-2: The Property Challenge Model

According to Nunnington & Kennie (2002) the drivers of change previously identified forms the substance of the tornado that is currently buffeting the real estate profession. The challenges that result from this are shown in Figure C-2, and this model demands that both the firms and professional bodies involved in real estate move out (if they have not already started to do so) of the calm in the eye of the tornado to embrace the challenges posed by the swirling winds of change around them.

Hence, as a result of the new knowledge era, many businesses are undertaking fundamental re-assessment (and shifts) of traditional paradigms, mergers with complementary companies, re-organisation and repositioning in the new dispensation. This has potent implications for the commercial property market in terms of the interplay of both micro and macro economic factors.

3.30 Valuation and Yields

Market factors of demand and supply influence the allocation of scarce resource between competing needs. This choice of allocation is measured in relation to alternative uses and potential rewards from these uses. This reward is termed as returns or yields in the property market. The allocation of resources must be efficient if the returns expected are to be maximised.

An investment property is one on which construction work and development is complete, which is held for its investment potential with any rental income being negotiated at arm's length, is not used by the business operation. It will be treated in the accounts according to the requirements for investment property given in Statement of Standard Accounting Practice 19 (Accounting Standards Committee, 1981) (Weatherhead, 1997).

Though prices or rents are primarily a product of the market, properties possess a complex set of attributes, which have to be thoroughly analysed by a trained professional (in relation to comparative data or trends in the market) before the values inherent can be determined (Baum et al, 1998).

The reasons for determining the value of a property are numerous, a recent survey of 20 institutional respondents by Baum et al (1999), revealed the following:

Reasons For External Valuations	
Financial Statement	18
Performance Measurement	17
Advice Sale	5

Advice Acquisition	9
Loan	6
Portfolio	5
Other	1

Table C-1: Reasons For External Valuation   Source: Baum et al (1999)

A potential buyer or seller of an interest in real property will consider the present value of the potential income he expects to receive from the investment, or if he is contemplating buying or selling the interest giving the right to occupy the property, the present value of rent he would have to pay, or would receive (Lean, 1977)

Relative to other types of investment in the stock exchange, property has performed consistently well over the long term of 10 - 30 yrs (see Fig C-3 below)
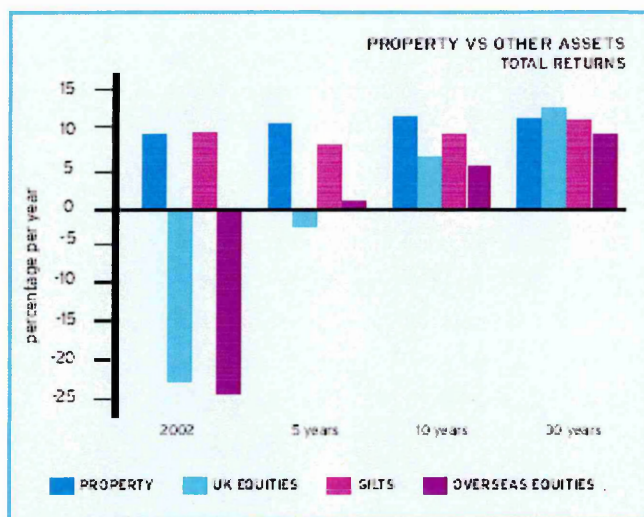
Source: BPF/IPD

Fig C-3 – Property V. Other Assets

The practice of commercial property valuation in UK is strictly regulated by the Royal Institution of Chartered Surveyors.

The institution publishes a set of Practice Statements and Guidance Notes on property valuation (for financial statements and other publicly available documents) in conjunction with the Institute of Rating & Revenue Valuation (IRRV). Originally

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developed in the 1970s, the 5th edition of the RICS Appraisal and Valuation Standards (popularly known as the Red Book) came into force in May 2003. It sets out a comprehensive code of mandatory practice, guidance notes, definitions of key terms, basis of valuation and best practice examples to follow. The latest edition incorporates internationally accepted valuation standards, such as those set by International Valuation standards Committee (IVSC).

Within *The Red Book* (2003), Market Value (MV) is defined as:

"The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Though adopted by the IVSC, this definition is expected to produce the same valuation as the RICS definition of Open Market Value (OMV). Various assumptions are clarified in the manual, such as, the possible substitution of 'property' for 'asset' in the definition, the requirement for the hypothetical parties to be acting without compulsion and acting with reasonable knowledge or advice of Consultants. Also the property is expected to have been exposed to the market for a reasonable period of time (determined by the peculiarities of the property, location and market) and ignoring special purchasers.

In this study, the term "Capital Value" will be used mostly as the measure of a property's market price. The Red book describes valuation as a professional individual's opinion of the capital or rental price or value of a property on a defined basis that are founded upon relevant facts and defined assumptions – such as OMV or MV.

However, there has been a lot of debate on the accuracy of valuations as an estimate of either market price or inherent value (Hager and Lord, 1985; Brown, 1985; 1992; Fraser, 1985; Lizieri and Venmore-Rowland, 1993; Reid, 1985). Further debate has centered on the reliability of valuation process in terms the role of Valuers and influence of clients on value (Baum, Crosby, Gallimore, McAllister & gray, 1999), heuristics and cognitive bias of Valuers (Northcraft and Neale, 1987; Diaz, 1990; Gallimore, 1994; and Wolverton; 1996).

Bretten & Wyatt (2001) argued that Valuers do not operate with perfect market knowledge and 'valuation variance' (difference on opinion from two or more Valuers on same property in a short term) may arise due to errors of judgement, heterogeneity of property, paucity of real market transactions etc. Adair et al (1996) found the average valuation variance between firms to be 9.53% from mean valuation of each property. Sometimes this variance could arise due to pressure from clients on the valuer (Harvard, 1996; Levy & Schuck, 1998; Murdoch & Murdoch, 1997). Though Diaz (1998) agued that less experienced Valuers are inclined to be more methodical than experienced ones.

In the cases of *Singer & Friedlander Ltd v. John Wood & Co. [1977], 2 EGLR 84, Zubaida v. Hargreaves [1995], 1 EGLR 127 and Craneheath Securities v. York Montague Ltd [1996]* 1 EGLR 126; it was recognised that valuation in not a science but an art and the instinctive 'feel' of experienced Valuers for the market cannot be ignored. Therefore, Crosby et al (1998) determined in a study of 38 valuation negligence cases in the High Court that the established trend of permissible margin of error lie between 10-14.99% , with maximum of 20%.

In support of reliance on reported valuations, Blundell (1995) studied records of collected data on sale and values between 1971 - 1993 and concluded that property valuations are an acceptable proxy for price (especially for portfolios of reasonable size) – see also Bowles, McAllister & Tarbert, (2001). Paradoxically, Baum et al (1996) suggest the near-convergence of valuation and prices may simply be as a result of influence of Valuers on Market Prices (since both Sellers & Buyers tend to take advise from valuation professionals operating similarly).

In this study, capital values reported by the case study respondent in their annual accounts[i] and benchmarking databases will be accepted as sufficient evidence of market price, since the essence of the research is to determine if these can be impacted upon through employment of KM initiatives.

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[i] As determined by their Valuers

3.40 KM in Property Industry

In a conference paper, Jones & Gibson (1995) described the commercial environment as one that is changing rapidly in the 1990s. They said all types and sizes of organisations are now facing the challenge of surviving in a highly competitive environment. That in order to succeed, organisations are turning to new management initiatives to preserve and improve their profitability by reducing expenditure while at the same time retaining their market share and their income (see also Lizieri et al, 1997). The key management issues which they identified as impacting on property are as shown in Fig C-4.
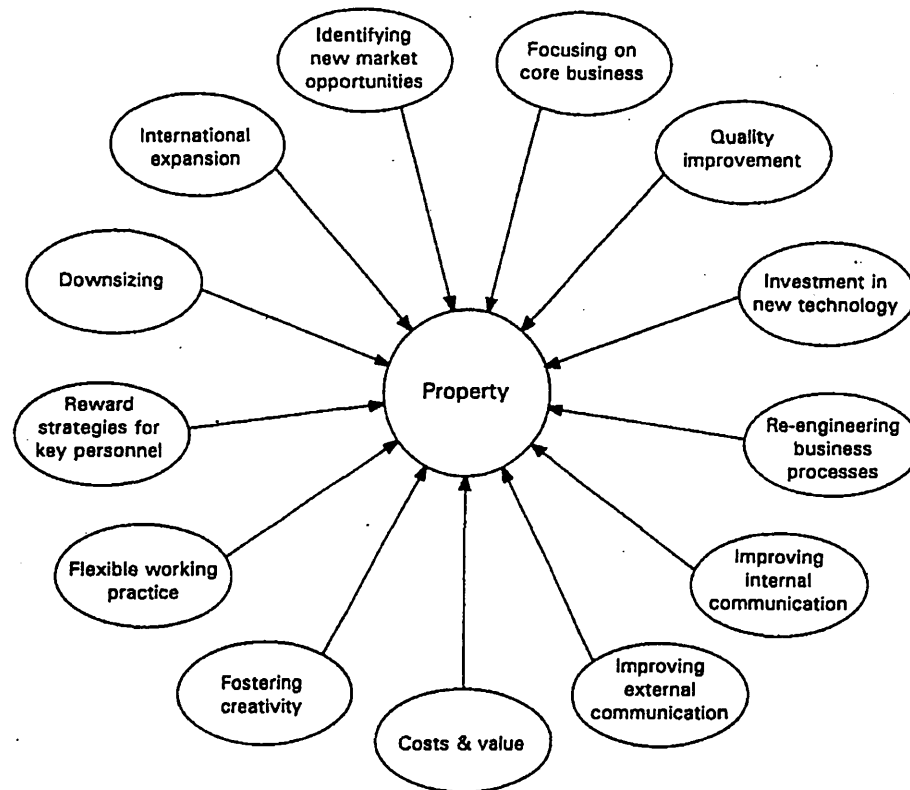
Fig C-4: Key management Issues Which Impact on Property
(Jones & Gibson, 1995)

Samuells[i] (2001), writing on KM in real estate organisations made the following comments:

- That real estate organisations require real-time access to knowledge on a variety of subjects - including information on the core business and conditions affecting it, the

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[i] A Consultant with Jones Lang LaSalle's Global Consulting group,

business units' current objectives and corresponding real estate requirements, and the latest thinking in approaches to real estate;

- The main goals of KM to these organisations are improving efficiency and streamlining communication processes, allowing team members to focus on creativity and innovation, rather than on locating information;

- The results are improved response time and service quality, strengthening of the team by developing, attracting, and retaining high quality team members;

- With the demands of the business world advancing at an ever-increasing pace, a solid KM programme can give a real estate organisation an invaluable advantage;

- Access to a body of knowledge, fast, centralised, organised, and accessible knowledge frees up valuable time to focus on creating thoughtful and innovative approaches rather than focusing on data capture from disparate sources.

Though based on extensive consultancy work, Samuells did not express any empirical data or research to back up the above assertions. On the other hand, a few researches have been conducted on the effect of KM on the Architecture, Engineering and Construction (AEC) sub-sectors of the property industry *(please see next section for more)*.

One of the participating companies in the Know-Net Model for KM implementation is a consulting firm of Surveyors, Nai Gooch Webster. However enquiries made by this author reveal that only a few staff at management level are aware of this tool in the company and it is basically offered as a management solution to clients but not utilised in-house.

Many other owners of property interest in UK have over the years adopted various management strategies (Jones & Gibson, 1995; Samuells, 2001; Edington, 1997; Lizieri et al, 1997; McAllister, 2002) to deal with a changing business environment. Perhaps some of these initiatives conform with KM characteristics, no known formal study has been conducted to determine this or the effectiveness of the initiatives in relation to business outcome.

According to Lofton (1999), in USA the Tax Reform Act of 1986 is cited by many as the birth of real estate's new digital discipline in addition to the information overload caused by the complex holdings of REITs (Real Estate Investment Trusts). Hence the development of various softwares which are user friendly but able to handle the critical

mass of information efficiently. The unit cost per application was made more affordable through Application Service Providers (ASPs) who offer bundled access to the most sophisticated systems, maintenance and support, entirely operated through the internet and in real-time.

Another driver in USA is computerisation (Alder, 1995). The property management companies are expanding from the limited services of traditional property management into full range of facilities management services, they are also moving into asset management, providing hold/ sell analyses, valuations, capital expenditure forecasts and cash flow projection (Weatherhead, 1997; Alder, 1995).

In UK in addition to various add-on services being provided by landlords (such as facilities management, fit-out services, dry cleaning, internet connectivity etc), a new wave of e-procurement services are also being added to a growing list of customer focussed initiatives (McAllister, 2002)

3.4.1 KM on Architecture, Engineering & Construction (AEC) sub-sectors:

The AEC Industry is a project based one with increasing application of KM initiatives to leverage better corporate values, minimise expenditure and achieve greater client satisfaction and innovation in project conception to delivery (Egbu, 2001; Egan, 1998; Kamara et al, 2002).

A simplified model of the fragmented nature of this industry is as shown in Fig C-5:
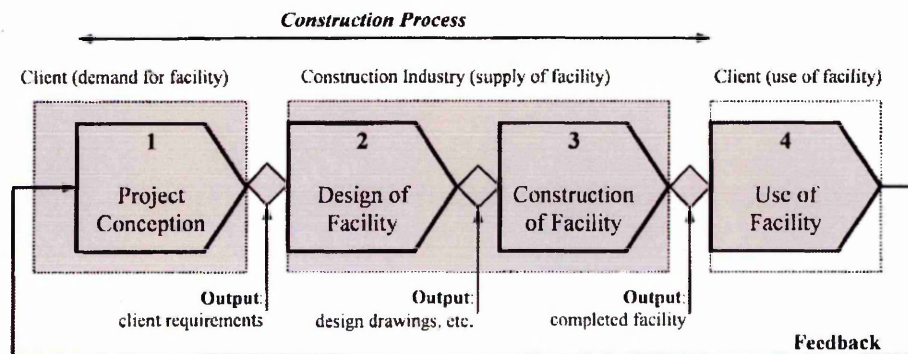
Fig C-5: Simplified Model Of Construction Process (Kamara et al, 2002)

The construction industry covers a wide range of loosely integrated groups and organisations involved in the production, renewal, alteration, repair and maintenance of certain capital goods. Capital funds are required to finance the equipment and site works and management has to plan, co-ordinate and organise the factors of production based on detailed design previously carried out. Production takes place at the site where the product is to be used, yet each product is a separate design, and with unique engineering and production problems (Lean,1977).

Whilst the term 'Knowledge Management is relatively new in the industry (Kazi et al, 1999), there are two critical requirements to manage knowledge within projects and manage knowledge within AEC firms *(Kamara et al, 2002)*. KM within projects changes in context and content over the lifecycle of each one. This is because more innovativeness is required at the design stage whilst the construction stage is fully planned and programmed. Additional constraint on KM within projects is the difficulty of transferring knowledge between the interfaces.

The involvement of multiple organisations in a project means that the transfer of knowledge from one stage to the next is dependent on the kind of procurement strategy or contract type adopted for the project (McCarthy *et al.*, 2000).

Within the individual AEC firms, the challenge of KM is to successfully transfer knowledge across different projects. Also they need to involve skilled workers in order to capture and codify the type of team and individual knowledge necessary to organise and execute independent tasks in an efficient way (Kamara et al, 2002).

Holtham & Ward (2001) suggested that small units[i] undertake intensive knowledge work in a bounded period of time[i]. When viewed from a knowledge perspective, these experiences rarely pass effectively into a collective memory, even though the stories and histories, which are created, are fundamental to the whole narrative of the enterprise, or to future productions.

In a research carried out by Loughborough University based on a sample of 15 companies in the AEC sector and an independent case study of Arup, the key drivers for KM is the need to cope with high staff turnovers, changing business practices, minimisation of waste, prevention of effort duplication and effective management of the

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[i] Of interdisciplinary teams (sometimes of temporary tenure) which makeup an organisation or projects

supply chain in project delivery (Sheehan, 2000; Kamara et al, 2002). Whilst the firms relied on accumulated knowledge of individuals, they made use of post project reviews and had a repository for knowledge captured or knowledge bank (Sheehan, 2000). They found as constraints to KM the reliance on informal relationships for the transfer of knowledge to be less effective if staff are not located in the same base and possibility of rivalries between departments if there is inadequate support to minimise or discourage this.

The conclusion drawn by Kamara et al (2002) is that although the label 'KM' is not often used, knowledge is being managed through people-based strategies and other organisational arrangements. However, the absence of a proactive KM strategy in AEC firms does not allow for full exploitation of the intellectual assets available to them. They observed that current practices of management of knowledge do not adequately address the range of issues for KM within the industry. This writer is in agreement with their recommendation that a KM strategy should integrate both organic and mechanistic systems as key ingredients for a successful initiative.

Whilst concurring with many of the above observations, Egbu et al (2001) confirmed that many AEC organisations ethnographically researched were at 'various stages of maturity' in KM and Intellectual Capital. In addition they argued that proper implementation of these initiatives will not only lead to strategic advantages but likely to contribute to cost reduction and product innovation.

3.50   The North West of England

Further to the justification in section 1.20 for limiting the scope of this study to commercial properties in urban settings, the Researcher explored the potential access to required data and sample population at the outset of this study. Whilst Yorkshire & Humber would represent the nearest location to the research base in Sheffield, the commercial market is deemed untypical of major urban areas in UK (with the exception of Leeds). On the other hand, outside London metropolis and Birmingham, Manchester and Glasgow are the next key metropolitan areas with mature commercial property markets and financial clout. Therefore, a decision was made to focus on the NW as the research population.

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[i] Projects with a beginning, a middle, an overunn and eventually an end either intended or unintended

The North West is one of the 10 regions of England in U.K as shown below. It was the hub of the industrial revolution in the 18ᵗʰ – 19ᵗʰ century, with numerous pioneering achievements – such as John Dalton's atomic theory, splitting the atom by Ernest Rutherford, first true railway in 1830 , first computer with stored programme and memory etc.

Covering an area of 14,165 sq.km and a population of 6.9 million (a reduction of 7.1 million in 1971 - nearly 12% of the UK's population). The region boasts of very good transport networks including two international airports Liverpool John Moore Airport & Manchester Airport (the £400m recent investment into additional terminals and a second runway will enable passenger numbers to increase to over 40.7 million per

Statistical Regions of the United Kingdom
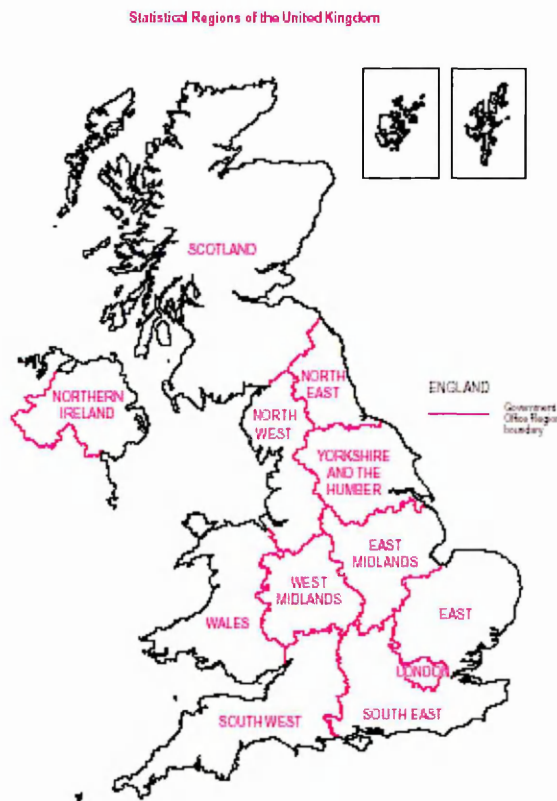
Fig C-6: Northwest of England Source: ONS, 2003

year), tram & train network, motorways and ports / waterways. Economically the N.W's GDP was £17 billion in 2000, which was just over 10% of the UK average.

The North West of U.K comprises Cheshire, Lancashire, Cumbria counties, Merseyside Metropolitan County and Greater Manchester Metropolitan County. The North West Development Agency (NWDA), declares that "with two great metropolitan areas and a total population greater than that of several European countries it is the largest region outside of London and the South East. The region incorporates the renowned cities of Chester, Liverpool, Manchester, Lancaster and Carlisle".

As at December 2000	Retail	Retail warehouse	Office	Industrial	Other	All properties
By capital value						
North West	£3,064m	£1,243m	£1,115m	£1,062m	£260m	£6,743m
UK	£33,924m	£12,334m	£34,435m	£13,121m	£3,526m	£97,340m
North West as a % of the UK	9.0%	10.1%	3.2%	8.1%	7.4%	6.9%
By number of properties						
North West	496	103	162	256	49	1,066
UK	5,052	1,029	3,607	2,514	1,058	13,260
North West as a % of the UK	9.8%	10.0%	4.5%	10.2%	4.6%	8.0%

Source Investment Property Databank

Table C-2 : Capital Values Profile of NW

The urban areas of Manchester and Liverpool account for 60% of the population of the North West despite covering only 14% of its land area. Manchester is an important financial centre with 60 merchant banks, overseas and clearing banks.

The North West Development Agency (NWDA) describes England's Northwest as one of the largest and most diverse economies in Europe. The extraordinary success of companies in the region they claim is due to the dynamic business environment, innovative and productive people, and excellent transport links to the rest of the world. Already established as a great place to do business, with GDP in excess of £75.8 billion, the region's economy is bigger than several European countries; and it boasts over 350,000 companies, 1,700 of which are overseas-owned and three quarters of the top 100 companies have bases there - these include Jaguar, Siemens, and AstraZeneca.

The property market in Manchester is presently a very vibrant one. But this was not always the case. Having gained importance many centuries ago as one of the vital

settlements of the conquering Roman Army (about 200AD), it subsequently became one of the nerve centres of the industrial revolution in the 18th and 19th centuries.

However, over the years, the industrial revolution left its toils and many area fell into decline, part of which are only just being recovered as a result a major govt initiatives/PFI e.g the ongoing North East Manchester regeneration scheme, and previously successful Castlefield & Piccadilly regeneration schemes. Manchester's office market is currently in an active state and has a wide choice of properties - from new office developments through to refurbished properties and business centres - all extremely competitively priced.

3.60   Chapter Summary

This chapter explores the origin and nature of rights in property and segmentation of the property market based on various criteria of ownership, use, location, building type and so on.

Whilst trite economic theories have established that property returns and values are directly influenced by the market variables of demand and supply, what has become essential over the centuries has also been the role of the entrepreneur in combining these factors of production at their optimal capacity.

The highest level of use is determined by the highest 'transfer earnings' from various opportunity costs of land (Ratcliffe, 1976). Certainly, the determination of any property's highest and best use is a function of knowledge, know-how and know-when. It is this capacity to manage the intellectual capital of an organisation and leverage it effectively as a means to achieve corporate goals that could possibly create a sustainable advantage in a competitive market.

The returns on a commercial property can directly be enhanced through efficient and effective delivery of required service (Bannock and Partners, 1994). Efficiency is concerned with doing things right, while effectiveness is doing the right things (Drucker, P, 1974). While efficiency is a requisite for survival, effectiveness forms the groundwork for success.

Generally, the sub-markets are strongly interlinked e.g in an upswing, economic activity generates demand for the occupation of property and, as user demand increases, rents rise and vacancy rates fall. Developers take these market signals and begin to develop, and lenders and investors are willing to fund the developments or to purchase the completed developments. Increases in development profitability lead to a reduction in yields and attendant rise in property values.

In their research on AEC subsectors, Egbu et al (2001b, p.8) concluded that "there is scope for improved awareness of the contribution of KM and IC in construction organisations. Similarly, with few formal approaches for measuring the benefits associated with the management of knowledge and intellectual capital in construction organisations, there is a need for more empirical research in this very important area."

Hence, this study empirically explores the influence of KM Practices in commercial property businesses? What sort of impacts? Can this be seen in terms of the organisation's intellectual capital? Could these reduce cost or increase returns and add value? Can deductions be found in the property industry, which follows established theories of KM or new theories induced from variant observations in this sector? What role has organisational culture got to play in the shifting or convergence of employee and client mindsets?

3.6.1 Modifications of Research Goals

At the onset of this research, the Researcher's aim was to establish the impacts of KM on commercial property returns and capital values only. The positivistic-based objectives designed to achieve this were as follows:

1. Evaluation of existing knowledge management strategies and tools in selected organisations;
2. Identification of cost/return patterns within the industry (in a selected region);
3. Elicitation of tangible impacts on commercial property returns/values when subjected to knowledge management, independent of traditional market variables; and
4. Development of a model, which simulates the dynamics as an innovative tool to all players in the real estate industry.

However, following an enlightening review of literature and focussed interaction with players in the industry, it became obvious that the aim was too steeped in positivistic paradigm in a sector that grapples with phenomenological issues constantly. Hence the original research aim was not only poised to capture insufficient data for analytic study but also risked being irrelevant to the real concerns of players in the industry.

Commercial property businesses want to achieve tangible goals such as increasing profit through higher income or less cost, achieving growth in portfolio size to enhance critical mass in gearing, and reducing void in property and staff turnover. These goals are in reality not discrete variables that are disconnected to phenomenological intangibles - such as achieving customer satisfaction (as a lead to higher patronage, loyalty and less void); achieving staff satisfaction (to reduce turnover and attract knowledge workers); training and management of employees (to increase or sustain productivity and innovation in a changing market); establishing quality branding and achieving positive public recognition; sustaining or changing organisational culture; achieving efficient communication means or networking, better quality of service etc.

Many of these business goals supports organisations' human, structural or customer capitals; and the difference in competitiveness and profitability of any commercial property business could depend on their degree of success in managing their IC.

Therefore the research aim was modified to reflect a realistic focus, albeit more complex since it would now involve both tangible and intangibles in its variables.
Hence, the aim[i] of the research will be to explore the influence of knowledge management practices on commercial property businesses. In order to do this, the following objectives have been identified:

1. Evaluation of existing pattern of KM and ICM deployment within selected organisations (sample population) in the North West;
2. Exploration of the dynamics of knowledge Management practices with commercial property business goals in a selected case study;
3. Comparison of growth and return patterns within the selected case study, implementing KM practices, to the industry's benchmarks;
4. Development of a model, which captures this dynamics as an innovative tool to players in the real estate sector; and

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[i] See Summary of Chapter Four for the research questions

5. Generating focussed questions for further research.

KM & ICM Practices
- Single Initiative or a Basket of Initiatives?
- What are these?
- Are these adopted by Commercial Properties Businesses in the NW?
- How does the organisation (s) implementing KM practices compare with the sector benchmarks

Adding Value to
- Business Goals
- Structural Capital
- Human Capital
- Customer Capital

Commercial Property Businesses

- Privately and not Publicly Owned Companies
- Investors in Commercial Property Sector i.e Offices, Retail, Mixed Uses etc
- Directly manage all or part of the property portfolio

Fig C-7: Deconstructing The Research Aim

As a summative recount, the Researcher opted for a Kantian synthesis between philosophical rationalism and empiricism. This provided a vibrant epistemological foundation to the adoption of Nonaka & Takeuchi's model of knowledge conversion from tacit to explicit.

The study derived a cyclic model of data-information-knowledge transition, acknowledged the role of organisational culture in the convergence of individual mindset, concurred with the Skandia's model of IC and adjusted the research objectives from extreme positivism to phenomenological orthodoxy.
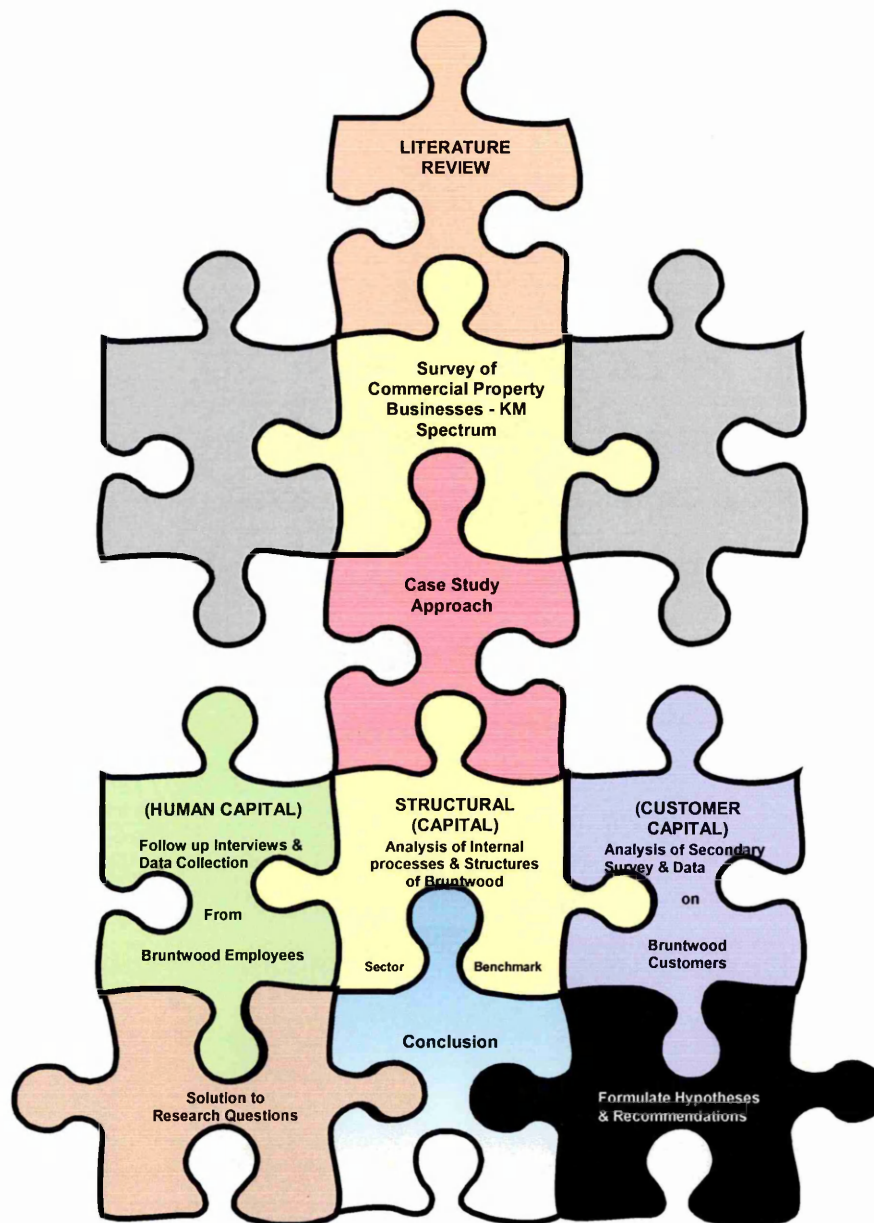
Fig C-8: The Research Jigsaw

Chapter Four

4.0   What is Research?

Research has been described by Hughes & Sharrock (1997) as the process of discovering something that is not already known. It is a reasoned process done with scrupulousness, with rigour, with careful weighing of evidence and the arguments, with some methodology.

4.10 Nature of Research

Whilst the precise definition of research has been submerged in very divergent approaches, the resonant factor observable from various writers on the subject is that, there is no consensus to what it means to different people (Hussey & Collis, 2003; Hughes & Sharrock, 1997; Moser & Kalton, 1983). However, there appears to be some agreement on the inclusion of the following issues in its meaning and purpose;

- It is a process of enquiry and investigation;
- It is systematic and methodical
- It seeks to increase knowledge
- It reviews and synthesise existing knowledge
- It seeks to explain a new phenomenon
- It seeks to provide solutions to problems; and
- It explores and analyses more general issues

Further to the points adumbrated thus far, research is driven by the interaction of data and theory. Data controls the theories we adopt and the direction in which we refine them. Theory directs and constrains both the sort of observations or experiments that are done to collect data and the means with which they are undertaken. The role of research is to test theories and to provide material for the development of laws (Bryman, 2001).

Construction and the built environment (BE) draw on a wide variety of established subjects/disciplines, including natural sciences, social sciences, engineering and management. These are then applied to the particular BE context and requirements (Fellows and Liu, 1997).

4.1.1 Research Classification:

Research has been classified by Hussey et al (2003) according to purpose, process, logic and outcome. With purpose as a premise, research can be divided into four broad types, which are:

- **Exploratory Research** - is conducted into a problem or issue when there are very few or no previous studies to which it can refer for information. The aim is to look for patterns, ideas or hypotheses rather than testing or confirming these and it rarely provides conclusive answers, but gives guidance on what future research, if any, should be conducted;
- **Descriptive Research** - describes phenomena, as they exist. It goes further in examining a problem than exploratory research, since it is undertaken to ascertain and describe the characteristics of the pertinent issues;
- **Analytical or Explanatory Research-** is a continuation of descriptive research. It aims to understand phenomena by discovering and measuring causal relations among them. It goes beyond merely describing but analysing and explaining why or how it is happening; and lastly
- **Predictive Research-** which goes even further than explanatory by forecasting the likelihood of a situation or phenomena occurring on the basis of hypothesised, general relationships.

From the foregoing, this research is fundamentally exploratory in nature, due to the apparent lack of empirical evidence on KM initiatives in Property Businesses in UK (and elsewhere) (Egbu et al, 2001b; Kamara et -al, 2002).

4.20 Research Paradigm

In research terms, Kuhn (1970) describes a paradigm as a cluster of belief and dictates which for scientists in a particular discipline (or community of practitioners) influence how research should be conducted, analysed, and interpreted (Hussey & Collis, 2003; Schutt, R.K., 1996; Bryman, 1996).

This Researcher commenced the study within a heuristic comfort zone of positivism. The simplistic approach would be to apply the principles of natural sciences to the study of KM dynamics. It would require hypotheses to be formulated for testing based on deductivism. Logical positivism uses quantitative and experimental methods to test hypothetical-deductive generalisations. It searches for causal explanation and reduces the whole to simplest possible elements in order to facilitate analysis (Remenyi, 1998);

However, Bryman (2002) argued against conflating positivism with science, since philosophers of science and of the social sciences differ quite sharply over how best to characterise scientific practice. The confusion centres on whether theoretical terms that are not directly amenable to observation can be considered genuinely scientific and the epistemological status between observation and theory. Critical Realism for instance purports to provide an account of scientific practice but recognises the reality of natural order and the events and discourses of the social world (Bhaskar, 1989).

Social scientists have argued against positivism on the basis that physical sciences deal with objects whereas social sciences deal with actions and behaviour which are generated from within the human mind. Hence they regarded phenomenology as a more appropriate means of research in the social world (Hussey & Collis, 2003). Phenomenology is the science of phenomenato. *A phenomenon* is a fact or occurrence that appears or is perceived, especially one of which the cause is in question (Allen, 1990).

A phenomenological subset in social research is the paradigm of interpretivism, which denotes a strategy that respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action[i] (Bryman, 2002). It includes an empathic understanding of human action rather than with the forces that are deemed to act on it and tends to use qualitative and naturalistic approaches to inductively and holistically understand human experience in context-specific settings (Easterby-Smith, 1991; Silverman, 1998; Bryman 2002)

Table D-1 below provides a pragmatic view of a summary of the two research paradigms:

Theme	Strengths	Weaknesses
Positivist (quantitative paradigm)	They can provide wide coverage of the range of situations They can be fast and economical Where statistics are aggregated from large samples, they may be of considerable relevance to policy decisions	The methods used tend to be rather inflexible and artificial. They are not very effective in understanding processes or the significance that people attach to actions. They are not very helpful in generating theories. Because they focus on what is, or what has been recently, they make it hard for policy makers to infer what changes and actions should take place in the future
Phenomenological (qualitative paradigm)	Data-gathering methods seen more as natural than artificial. Ability to look at change processes over time. Ability to understand people's meaning. Ability to adjust to new issues and ideas as they emerge. Contribute to theory generation	Data collection can be tedious and require more resources. Analysis and interpretation of data may be more difficult. Harder to control the pace, progress and end-points of research process. Policy makers may give low credibility to results from qualitative approach

Table D-1: Pragmatic Views of Two Research Paradigms (Easterby-Smith, 1991)

The parallelism of symbolic interactionism to hermeneutic-phenomenology qualifies it as an intellectual influence on interpretivism. Though also not seen as a clear cut case, it generally argues that interaction takes place in such a way that the individual is continually interpreting the symbolic meaning of his or her environment (which includes the actions of others) and acts on the basis of this imputted meaning (Blumer in Hammersley, 1989; Bryman, 2002)

Bryman (2002, p15) posited that

"when the social scientist adopts an interpretative stance, he or she is not simply laying bare how members of a social group interpret the world around them. The social scientist will almost certainly be aiming to place the interpretations that have been

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[I] Its intellectual heritage is hermeneutic-phenomenological tradition, symbolic interactionism , Weber's notion of Verstehen and work of Alfred Schutz (1962)

elicited into a social scientific frame. There is double interpretation going on: the researcher is providing an interpretation of others' interpretations. Indeed there is a third level of interpretations going on, the researcher's interpretations have to be further interpreted in terms of the concepts, theories, and literature of a discipline".

The use of regularities to ground generalisations and causations is rejected by phenomenologists. Causation does not refer to regularity between separate things or events but about what an object is likely to, and what it can do, and only derivatively what it will do in any particular situation. The goal of BE research under the phenomenological doctrine is therefore the development of theories through explanatory methods (Amaratunga et al, 2002).

Research studies in BE have been criticised for their anecdotal approach when interpreting real world phenomena. In this sense, it is argued that the clear definition of a research strategy is a fundamental and necessary requirement for a sound empirical study in such a field (Amaratunga et al, 2002).

Therefore, in order to determine the appropriate research paradigm, it would be helpful to briefly recapture the key issues this study set to unravel:

- Commencing with the exposition of a near Kantian synthesis that strikes a balance between rationalism and empiricism, this researcher set to study the phenomena rhetorically[i] referred to as Knowledge Management. In this research it is not viewed as a single technique but as a management strategy consisting of a bundle of techniques, tactics and practices (amounting to how, where and when);

- The review of literature revealed a body of concepts and theories regarding these phenomena as applied to other fields of commerce set apart from the focus of this study. The dynamics of these phenomena is a contemporary one, which can best be determined through the elicitation of organisational interpretations of the interaction of this concept with their corporate goals, structures and processes;

- An effective approach would consider evidence or opinions of this interaction and change processes over time (as against a snapshot in time based on discrete variables). To successfully achieve an empathic understanding of the dynamics of these phenomena would require the capturing of the respondents subjective interpretation tempered with objective data on structures and processes;

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[i] Used in a non-pejorative sense

- In fact, the adoption of Nonaka-Takeuchi's model of knowledge conversion demands the recognition of tacit cum explicit knowledge forces emanating from individuals subsumed within organisational cultures but bringing with them a heuristic framework of cognition;

- The study must retain the ability to adjust to new issues in order to emerge with a contribution to theory generation, which is valid and reliable, thereby capturing the essence of the phenomena and extracting data rich in its explanation and analysis.

Hence with a research journey, which commenced within positivistic orthodoxy, at the end of a comprehensive review of concepts and theories on the phenomena to be studied, this researcher was inexorably drawn into phenomenological epistemology.

McGrath (1982) argued in his study of research choices that there are no ideal choices but only a series of compromises. A research strategy, according to Yin (1994) should be chosen as a function of the research situation and the characteristics of the core strategy chosen may overlap with alternative ones. Poignantly, 'research like diplomacy is the art of the possible' (Patton, 1990 in Amaratunga et al, 2002)

4.2.1 Research Ontology:

With the epistemological platform of research decided in favour of interpretivism, the choice of ontology was logically narrower.

Social ontology is concerned with the nature of social entities and proffers a broad choice between objectivism and constructivism (Bryman, 2002). *Objectivism* implies that social phenomena and their meanings have an existence that is independent of social actors. Hence if adopted, the researcher would be obliged to consider the commercial property companies as tangible objects, which probably have a reality that is external to the individuals who work there. That they represent a social order and exerts pressure on the employees to conform to the requirements of their organisation.

Constructivism on the other hand, asserts that social phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in constant state of revision (Bryman, 2002). This term has come to include the notion

that the researcher's own account of the social world are constructions, that are his/her own perceptions, rather than definitive. Knowledge is seen as indeterminate. Hence, this view would challenge the notion that a commercial property business or organisational culture is pre-given and external to social actors on whom it exerts pressure. Rather, it would see the social order (property business) as one in a constant state of change and a product of negotiations between the different parties involved – though this is not to say formal properties have no element of constraint on individual action (Strauss et al, 1973).

Concurring with Strauss, Becker (1982) argued that the constructionist position cannot be pushed to the extreme. According to him, it is necessary to appreciate that culture has a reality that persists and antedates the participation of particular people and shape their perspectives. Though it is a point of reference, it is not an inert objective reality that only possesses a sense of constraint and is always in the process of being formed.

The world of phenomena cannot be taken for granted by social scientists as pre-constituted for investigations, as the natural scientist does, hence the examination of the processes by which the social world is constructed (Walsh, 1972). Taking this theme further, Potter (1996, p98) argued that the social world is constituted in one way or another 'as people talk it, write it and argue it'.

Therefore in this research, constructionism would be ontologically adopted as the notion that property businesses represent a social world and categories or processes that supports intellectual capital (human capital, structural and customer capital) are social constructions.

4.2.2 Research strategy:

Both epistemological and ontological assumptions of a research cannot be divorced from the strategy to be employed. Invariably, they influence the way research questions are asked and how it would be conducted.

According to Bryman (2002), if a research question is formulated within positivistic paradigm, it is likely to emphasise the formal properties of organisations, beliefs and

values of the members of the culture. Whereas, if the same question is formulated within phenomenological orthodoxy, it is likely that emphasis will be placed on the active involvement of people in reality construction.

Research strategy can be taken to mean a general orientation to the conduct of research and this is sometimes used interchangeably with the term 'methodology'. Hussey & Collis (2003) defines methodology as the overall approach to the research process, from the theoretical underpinnings to the collection and analysis of the data; and they argued that like theories, methodologies cannot be true or false, only more or less useful. They further clarified 'research methods' as the various means by which data can be collected and or analysed.

4.2.2.1   Quantitative & Qualitative Approach

It is usual[i] for research strategies to be grouped into two broad classifications, namely quantitative and qualitative strategies.

Briefly defined, quantitative approach involves objective collection, measurement and analyses of numerical data and application of statistical tests. It is usually underpinned by the natural sciences model (Bryman, 1996; Hussey & Hussey, 1997).

Hence the logic and procedures of natural sciences are taken to provide an epistemological yardstick against which empirical research in the social sciences must be appraised before it is treated as valid knowledge. This method is usually referred to as one based on positivism – though many writers have bemoaned what is seen as an indiscriminate exploitation of the term by proponents of this approach (Bryman, 1996; Giddens, 1974; Cohen, 1980 and Bryant , 1985).

Qualitative approach involves the examination and reflection on perceptions in order to gain an understanding of social and human activities. Amongst, the main intellectual undercurrents that underpin this approach are phenomenology, symbolic interactionism and ethnogenics. Various writers differ on the essential distinction and or interrelationship of both approaches (Rist, 1977, Bryman, 1996).

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[i] Though some writers see this broad classification as ambiguous, not useful any longer or even false (Layder, 1993)

Below in Table D-2 are some characteristics of both strategies based on an adaptation of Jarratt (1996) and bryman (2002):

Dimension	Quantitative Strategy	Qualitative Strategy
Purpose	Prediction and control, testing of theory	Understanding or generation of theory
Reliability	Stable-reality is made up of facts that do not change	Dynamic-reality changes with Changes in people's perceptions
Epistemological Orientation	Natural Science, positivistic, outsider-reality is what quantifiable data indicate it to be	Interpretivism, Insider-reality is what people perceive it to be
Ontological & Axiological Orientation	Objectivism, Value free-values can be controlled	Constructionism, Value bound-values will impact on understanding the phenomenon
Focus	Particularistic-defined by variables studied	Holistic
Orientation	Verification or deductive	Discovery or inductive
Data	Objective	Subjective
Instrumentation	Non - human	Human
Conditions	Controlled	Naturalistic
Results	Reliable	Valid: the focus is on design and procedures to gain real, rich and deep data

Table D-2: Research Strategy

The approach to any research, either qualitative or quantitative, is determined by various considerations based on epistemological, ontological and axiomatic orientations. Also they are sometimes viewed as competing views about the ways in which social reality ought to be studied (Bryman, 1988). The distinction between the two strategies is not a hard and fast one according to Bryman (2002).

99

4.2.2.2   Triangulation

There is a distinct tradition in the literature on social science research methods that advocates the use of multiple methods (Jick, 1979; Amaratunga et al , 2002). This approach to research was first described as multiple operationism, multi-trait, or convergent methodology (Campbell & Fiske, 1959) and subsequently as triangulation (Webb et al, 1966).

The term originated from navigation and military strategies that use multiple reference points to either locate an object's exact position or in surveying; (Smith, 1975; Jick, 1979; Bryman, 2002). "Given basic principles of geometry, multiple viewpoints allow for accuracy. Similarly, organisational researchers can improve the accuracy of their judgements by collecting different kinds of data bearing on the same phenomenon" (Jick, 1979 pp 602; see also Denzin, 1978; Martin, 1998; Scandura & Williams, 2000).

There are four main types of triangulation (Denzin, 1970; Easterby -Smith et al, 1991; Bryman, 2002) as follows:

- **Data triangulation** - where data is collected at different times or from different sources in the study of a phenomenon;
- **Investigator triangulation** – where different researchers independently collect data on the same phenomenon and compare the results;
- **Methodological triangulation** - where both quantitative and qualitative methods of data collection are used;
- **Triangulation of theories** – where a theory is taken from one discipline (for example marketing) and used to explain a phenomenon in another discipline (for example, accounting)

Bryman (2002) agrees that triangulation has come to assume a variety of meanings although the association with the combined use of two or more research methods within a strategy of convergent validity is the most common.

It is worth mentioning that there are other multi-strategy approaches to research, such as *Facilitation*[i] *and Complementarity*[ii]

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[i] This is when one research strategy is employed in order to aid research using the other research strategy.
[ii] This is when the two research strategies are employed in order that different aspects of an investigation can be dovetailed

This researcher opted for both interpretivism and constructionism as epistemological and ontological premise to the research strategy. The assessment of the phenomena under study (KM) would involve the collection and analysis of both quantitative and qualitative data in order to establish the impacts of knowledge management initiatives on commercial property businesses. The preferred method of research in this study therefore is a combination of data and methodological triangulation.

4.30 Research Design

Based on the research aim and objectives and further clarification of concepts or theories through reviews of relevant literature, the following research questions were formulated as an aid to research design:

1. Do property businesses employ KM (directly or indirectly) as a management strategy?
   - If they do, have these phenomena made any impact on their intellectual capital?
   - If they don't, are they impervious to contemporary management strategies like KM or ICM?
2. What is the relative financial performance of the business(es) that adopted KM in relation to the rest of the commercial property sector?
3. What is the impact of KM on the adopting organisations' intellectual capital (human, structural and customer)?

In order to effectively address these three broad research questions, which seek to establish the dynamics of KM in commercial property businesses, this study adopted a phased (triangulation) approach to data collection and analyses, as follows:

- To collect secondary data from benchmarking organisation(s) on returns and yields in a selected region of England;
- To formulate and distribute questionnaires to a sample population of commercial property companies drawn from the same selected region of England in order to establish existence and nature of KM practices; and
- To conduct an in-depth case study of one property company adopting KM as a management strategy from the sample population drawn. This will include the collection of more quantitative data (such as annual accounts), survey of

employees and customers, assessment of the internal structures, exploration of organisational culture and conduct of semi-structured interviews.

Following these tactics, the Researcher methodically executed the research process that is reported in the next two chapters.

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Chapter Five

5.0   Stage 1 Research Process

5.10   Inconsistency of Benchmarking Data

Historically, data on commercial and industrial markets are weak, but a number of property indices have been established; though there continues to be considerable debate concerning the appropriateness of these published property data sources and the extent to which confidence can be placed on research that depend on such benchmarks -which is in turn based on controversial valuation techniques (Dunse, Jones, Orr and Tarbet, 1998).

Over the last few decades, there has been a lot of debate on the validity and accuracy of investment valuations carried out for various purposes in the commercial and industrial property markets of England and Wales (Matysiak and Wang, 1995; the annual Drivers Jonas/IPD study); the methodology employed (Baum and Crosby, 1995); the bases and procedures (Mallinson, 1994); and the behavioural aspects of such valuations (Gallimore, 1994).

The Researcher considered the use of data annually compiled by the Valuation Office Agency, but discarded this due to a high level of incomparability with other databases and internal inconsistency. Even the Office of the Deputy Prime Minister has this to say about the VOA database:

> "It is difficult to make meaningful and reliable comparisons between statistics on the non-domestic building stock derived from the VOA data, and those from other sources. Such comparisons frequently disagree, often by considerable amounts. Extensive investigations over the past five years have shown that these anomalies continue to occur even when the source with which VOA data is being compared is known to be reasonably accurate" (ODPM, 2003).

The anomalies referred to include inconsistency in classification of uses and proportion of mixed use buildings with varied classification, the database being compiled by the Bartlett Faculty of Built Environment at University of London who base it on many years of government policy (i.e made fit for purpose) rather than market prerogatives etc.

Dunse et al (1998) compared the Hillier Parker Database with Healey & Baker, JLW and Richard Ellis and found significant inconsistency and variation in definition of variables such as rent (which can be headline rent, average rent, open market rental value or hypothetical rent).

Whilst a definition may be objective the interpretation could be subjective and based on the perception of individuals. The definition of prime, secondary or tertiary properties may even coincide at the extremes but blurred along the distinguishing boundaries of classification (Abbott, 1987; Fraser, 1993). Also a prime property now may be secondary in 5 yrs time depending on the evolution of the market and technology (Fraser, 1993).

In their conclusion, Dunse et al (1998) observed that smoothing problems arise with data aggregation or analysis of cross sectional data, whilst serial correlation (i.e when valuations or prices determined in one time period are influenced by values in a previous period) and spatial autocorrelation (i.e interaction of prices and valuations between neighbouring spatial points) occur; therefore making serial correlation testings more complex (Ripley, 1981).

However, endemic smoothing is greater for monthly and quarterly series than annual data (Nanthakumaran and Newell, 1995)., hence this study will place greater emphasis on statutory accounts which must conform to regulatory practices and be filed with Companies House yearly by all commercial property companies, rather than ambiguous benchmarks which may not be measuring like for like.

5.20 IPD Data

The Researcher secured data from the Investment Property Data (IPD) for Offices covering a period of 8yrs (1995 –2002 but annualised for 22yrs) for the whole of U.K, and period of 20yrs (1981-2001) for the Northwest of England and Manchester City.

IPD is an independent research company, which produces benchmark data and indices for the property industry and investors. It has eighteen sponsors or contributors who supported the initial development of the databank and are amongst the top ranking surveying firms (OPD, 2003).

The data from this databank include total return, capital growth, rental value growth etc. The objective of the databank is to track movements in underlying localised property markets, using evidence from portfolio valuations. The impacts of fluctuations in the composition and value due to transactions or developments during the year are removed by utilising only standing investments that represent properties held from one December valuation to the next.

IPD was established in 1985 to fill the gap in the provision of property statistics. It works by members depositing details of their portfolios and paying an annual subscription to IPD who monitor each portfolio's performance and compare it with the industry average. Whilst this subscription dependence provides reliable data to IPD it means data from non-members are therefore excluded. The ambiguity of terminologies used by IPD in comparison to none subscribers could make their benchmarks inapplicable. Also in some markets (such as Manchester office market) where IPD's benchmark is based on insufficient sample it may be neither representative of all cadres of property portfolio in that market nor representative of the average.

Therefore in this research, reference will be made to IPD index when accounting data has been fully collected and a decision made on the applicability of these benchmarks to the case study.

5.30   Data Collection Parameters

As discussed in earlier sections, this study adopted a triangulation approach that included the collection and analyses of data both quantitatively and qualitatively, with each intended to smoothen out the demerits of the other, The immediate issues this Researcher had to resolve was from whom to collect information, what methods to use for collecting it and how to process, analyse and interpret it (Moser & Kalton, 1985; Collis & Hussey, 2003).

5.3.1   Sampling or Census

At the onset of the research design, the decision regarding the scope was taken to limit the target population to commercial property companies in one of the regions in England. The next crucial step was the construction of a sampling frame, i.e a list of the

population from which all sampling units are drawn (Vogt, 1993, p.202; Schutt, 1996, p.159).

Having decided on the Northwest region, the definition of a 'commercial property business' had to be carefully considered. The commercial property market in urban areas potentially includes offices, retail and industrial users (Society of Property Researchers, 1995). However, due to the heterogeneity of property, this would also include mix uses in various proportions that cannot be pre-determined since the population had not been polled yet. Would this include properties with mixtures of residential and commercial schemes? Would this include leisure properties with offices? The Researcher after due reflection on the aim and objectives of the research decided to include companies that own properties with mix uses on the condition that they equally have commercial properties or predominantly operate in the commercial property market.

Hence, the emphasis swung in the direction of clarifying the ownership structure of potential respondents. Based on the rationale & scope defined for this research, fund managers and publicly quoted companies were added to the exclusion list as a result of the foreseeable difficulty of determining effects of any management or KM initiative on the intellectual capital of respondents independently of vagaries of the stock exchange and portfolio allocation theories. However the decision was taken to include limited liability (trading or investment) property companies that are owned by publicly quoted companies, since these would probably operate, file records and declare accounts similarly with other commercial property companies – however if this is not the case, then such returned questionnaires would be excluded.

In any case, in the development of a sample frame, it is an accepted technique to deal with issue of missing elements or coverage error (i.e elements that should be included in the target population which are not on the sampling frame); by changing the coverage of the survey from the *target population* to a *survey population* that comprises only those elements on the sampling frame (Moser et al, 1985; Groves, 1989).

How could the companies who invest in the Northwest be found? The apparent answer would be those companies with offices in the Northwest (not necessarily head-office). However there could be companies with offices in the Northwest who have divested from, or never had investments in, that market and now have their portfolio elsewhere

or those with offices elsewhere who have investments in the Northwest. Based on the Researchers knowledge of the Northwest property market, the decision was made to constitute the sample frame with all commercial property companies with offices in the NW.

The requirements for an ideal sampling frame are stringent ones and no actual frame meets them all (Moser et al, 1985; Schutt, 1996). Though the sample frame was based on Table E-4 below, questionnaires were sent to respondents that were doubtful so that their returned questionnaire can be considered and accepted or rejected as *foreign elements* (Moser et al 1985).

Inclusion Criteria	Exclusion Criteria
▪ Privately owned property investors/traders; ▪ Must have some investment in commercial properties in the NW; ▪ Must have an office with employees in the NW ▪ Own Interests which exceed 25yrs in the properties ▪ Could be an Investor (holding assets for return on cost or capital growth) or a developer (who builds and sells or grant long leases);	▪ Plc or Fund Managers only; ▪ Surveying or Property or Facilities Management Consultancy Firms with no direct capital or equity investments in the property market; ▪ Charities or Academic Institutions ▪ Religious Organisations registered as charities ▪ Government (at all levels) owned organisations, statutory undertakers or parastatals

Table E-4: Sample Frame Criteria

For the purpose of constituting the sample frame, a *duplicate listing[i]* approach (Moser et al, 1985, p.157) was adopted and two directories were searched for the elements. In this instance the search engines utilised were those of the Yellow Book directory

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[i] Arising from the use of a combination of directories or listings with overlapping memberships, elements may appear more than once in the sample frame and it is dealt with by re-weighing or unique identification (Moser et al, 1985)

website (www.yell.com) and Freeman Publishing Directory website[i]; with following key words – 'Property Investment' (for yellow pages) and 'Property Companies' (for freeman directory) http://www.efreeman.co.uk/ .

The main list was drawn from the yellow pages search engine outcome. This free online service features 1.7 million UK businesses and the hardcopy versions was established 37 years and the company claims their directories are used 1.2 billion times a year. Freeman Directory on the other hand was only recently established in 2000 but is a useful list to augment the main one based on the yellow pages. Following this, a total of 260 elements were constituted into a target population out of which 145 were drawn into the sample frame based on simple random sampling.

5.3.2 Sampling Technique

Once the sample frame was determined, the Researcher made telephone calls to a few of the companies (or checked their website or the EGi interactive Website) whose names included suspect words like 'Homes Ltd' or 'Management Ltd' and was able to further pruned down the *survey population* to 125 elements based on the strict exclusion criteria previously stated.

Though sampling saves money, labour and time (Moser et al, 1985; Whitehead et al, 1994), it is subject to the errors of accuracy, bias and precision (Moser et al, 1985; Collis et al, 2003). Also if the sampling is not done by a random method, (for a positivistic survey) then it will cause systematic non-compensating errors. (Moser et al, 1985; Schutt, 1996).

Efforts were made by this Researcher to comply with academic rigour in constituting a sample frame, the following issues are worth noting:

- The nature of the property market is such that a minor proportion of any sample frame could actually own a greater proportion of the market (for example Bruntwood Estates Ltd & Allied London Properties Ltd alone own more than 30% of the commercial property stock in Manchester). Since all elements in a frame would have equal chances of being selected or not selected, such a

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[i] This service is a subscription based one

survey may fail to represent the entire population if a few key investors fall through the "sampling crack";

- A potential solution employed to the problem above was the combination of a probability sampling technique with non-probability sampling techniques[i].

In order to collect the data required to address the research question, the options of telephone interviews, mail questionnaires, and online questionnaires were all considered and mail questionnaire was chosen as the only one which would not impose on respondents' work schedule[ii]. It is also cheaper than telephoning, though not as fast as online instruments.

However, this Researcher's knowledge of the nature of the survey population led to a rejection of online survey as too sophisticated (Dixon et al, 1992) and requiring logging on a website and a preceding email with links (which could be rejected or deleted as a spam by finely tuned company firewalls or mailsweepers).

5.3.3 Questionnaire Design

As a result of this study being exploratory in nature, no suitable previous empirical survey instrument was found for adoption by this Researcher. Hence, there was a necessity to develop an instrument, which would address the research question without being complicated. The way a questionnaire should be designed varies with the purpose and the characteristics of the population (Schutt, 1996).

The essential characteristics that guided the instrument design were:
- **Simplicity** - It needed to be simple and not include ambiguous terms; rather questions should be phrased or couched in 'property language' whilst retaining its connectivity to the KM concepts or model it is meant to explore;
- **Brief** - Due to the busy lifestyle of the potential respondents (who would be either the Managing Director, or a Management cadre staff), the instrument needed to be long enough to secure scaleable responses for mapping onto the KM Spectrum; but brief enough to be answered within 15 to 25 minutes;
- **Standard** - Conform with standard design principles, such as avoiding leading questions, being clear, double-barrelled questions etc

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[i] Visual inspection of survey population to ascertain the presence of key companies (akin to convenience sampling)
[ii] They can allocate time to deal with it at their convenience before the return deadline

Broadly, the questionnaire comprise two sections, A and B. Whilst section A contains 11 questions on the company profile and general characteristics, section B contain 12 main questions on the human, structural and customer capital of respondents (without using these terminologies). Whilst many of the introductory questions in section A are interval or nominal multiple choice types, divergently 40 of the questions in section B are ordinal types which were designed for coding. Overall, there are 95 variables in the questionnaire.

5.3.3.1   Scaling, Reverse Score Items & Coding

The idea of scaling methods is that instead of learning whether or not a respondent is favourably inclined on an issue as judged by his specific answers one gets a measure of his actual position on the attitude continuum (Moser et al, 1985)

Although more closely related to data analysis than collection, coding was considered at the early design stage and it led to the use of both nominal and ordinal types of data based on Likert scale[i].

It is worth noting here that some Statisticians choose to classify this type of scale as interval type by assuming the differences between each of the responses are of equal distance (Wright, 1997). However, no such assumptions are made in this research and this type of responses were treated as ordinal within a triangulation methodology and analysed using SPSS software (version 11.0 for windows).

Friedman (1988) discovered that respondents have a tendency in answering attitudinal questions to agree more with the positive and are hesitant to disagree with the negative statements. He then recommended a mixed type of statement for such surveys. However, other Researchers (Maheswaran & Meyers-Levy, 1990) have argued that mixed statements produce conflicting levels of agreement by respondents.

Therefore, in this research mixed statements have been generally avoided with the exception of three 'hidden statements' that will serve as a check on 'yea-saying' respondents (Churchill, 1979) and response errors (Moser et al, 1985) - shown in blue fonts in appendix I.

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[i] (where respondents are asked to choose between several response categories indicating strengths of agreement or disagreement – see Moser et al, 1985; Collis et al, 2003)

5.3.3.2   Questionnaire Administration & Response Rate

Having decided on the nature of questionnaire to design, it was populated with pre-coded closed questions in accordance with positivistic orthodoxy (see appendix I for sample of the coded survey instrument).

A pilot testing of the questionnaire was carried by distribution to five professional colleagues and their criticisms of ambiguous instructions or questions were acted upon through modifications.

A postal distribution of 125 questionnaires was carried out in June 2002, with each questionnaire having a covering letter prepared on the University letterhead (for authenticity). It introduced the aim of the research to the respondents, provided them with contact details (of the school, the Researcher & Research Director) for verification or clarification purposes; it included a return-by date and had a free-post envelope enclosed for returning filled ones. The postal option was adopted due to the ease of distribution, relatively low cost and convenience.

However after four weeks, the Researcher had only received 20 returned questionnaires (representing 16% of the of the sample frame).Though Hussey & Collis (2003) warned that it is not uncommon for response rates of 10% or less to be achieved from postal distribution, the Researcher made efforts to improve this rate through a repeat administration to none respondents[i]. As result of this 9 additional questionnaires were received but only 7 were valid with one of the other 2 having many sections crossed out and the second one confirmed that the respondent has gone into administration.

Hence, the gross response was 27 (representing 22% of sample frame). This compared favourably with 20% return achieved by Robinson et al (2001, p.4) who argued that this was *"reasonable[ii] given that KM is a relatively new subject and an emerging discipline"*

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[i] Determined through coded envelopes
[ii] In construction organisations

5.4   Stage I Survey Analyses

1.   Type of Respondent Organisation

Statistics:

		Property Investment Company	Property Development /Trading Co	Occupier	Fund Managers/ Institutional investors	Other
N	Valid	27	27	27	27	27
	Missing	0	0	0	0	0

Company	Yes (%)	No (%)
Property Inv Company	74.1	25.9
Property Trading Company	55.6	25.9
Occupier	3.7	96.3
Funds Managers/ Inst Investors	0	100
Others (Resid mix etc)	11.1	88.9

Table E-5.1:   Type of Respondent Organisation

Property Investment companies are currently seen as those that own or hold properties over a period for its income returns and capital growth, whilst development or trading companies deal in commercial properties expressly with expectations of profit from short term resale.

As a result of differential tax treatment[i] of trading companies from investment companies, the response to the first question does not represent any clear or significant delineation in the property market. This is due to the fact that many respondents chose more than one category based on their having different vehicles for investment at the same time as holding, trading or development companies. Also 11% of the respondents chose additional classification as Occupiers because of subsidiary companies wholly owned by them which are on short leasehold terms rather than owner occupation.

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[i] Pre-budget report in August 2003 confirms UK government's intention to reform the corporation tax, which currently differentiates on this basis. Included are - deductibility of expenditure, demerger legislation, Enterprise reliefs, capital allowance, exemptions for gains, business assets taper relief etc (Inland Revenue, 2003)

2.   Types of Properties Owned (over 25 yrs lease)

Statistics

		Type of Property Owned (int over 25yrs) - Commercial (Offices - B1 Use) Only	Type of Property Owned (int over 25yrs) - Retail (A1, A2 & A3 Uses) Only	Type of Property Owned (int over 25yrs) - Leisure	Type of Property Owned (int over 25yrs) - Shopping Complex	Type of Property Owned (int over 25yrs) - Industrial (including Research office - B2)	Type of Property Owned (int over 25yrs) - Mixture
N	Valid	27	27	27	27	27	27
	Missing	0	0	0	0	0	0

Uses	Yes (%)	No (%)
Commercial Offices (B1)	85.2	14.8
Retail (A1, A2 & A3)	59.3	40.7
Leisure	7.4	92.6
Shopping Complex	0	100
Industrial (incl B2)	44.4	55.6
Mixture	63	37

Table E-5.2:   Type of Property Uses in Respondents' Portfolio

As noted in previous sections, most (63%) of the commercial property companies portfolios include a mixture of uses whilst a majority (85%) of the respondents own B1 User (offices) buildings

3.   No. of employees in the Organisations

Statistics

Total No. of Employees

N	Valid	27
	Missing	0

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-100	23	85.2	85.2	85.2
	101-250	4	14.8	14.8	100.0
	Total	27	100.0	100.0	

Table E-5.3:   No of Employees Working With Respondents

Fig E-5.1: Total No Of Employees
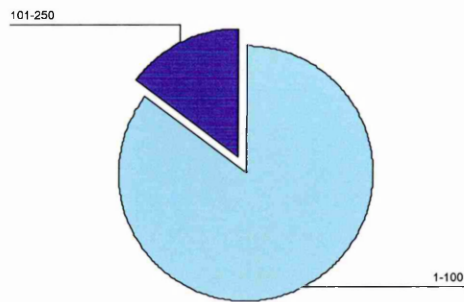
All the respondents have between 1 and 249 employees working in the organisation with 85% having between 1 and 100 employees[i].

4.   Geographical spread of Respondents' core activities

Statistics

Geographical Spread of Respondent's Core Activities

N	Valid	27
	Missing	0

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	International	2	7.4	7.4	7.4
	National	5	18.5	18.5	25.9
	Regional	12	44.4	44.4	70.4
	Local	8	29.6	29.6	100.0
	Total	27	100.0	100.0	

Table E-5.4: Geographical Spread of Respondents Core Activities
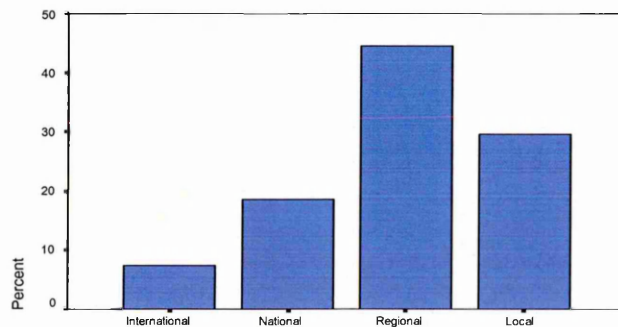
Fig E- 5.2: Geographical Spread of Respondents Core Activities

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[i] The UK govt estimates that 99.6% of businesses are small enterprises of less than 50 employees in UK and 99.4% of real estate businesses 2002 employed less than 50 employees (SBS, 2004)

Though the scope of the survey is basically the NW of England, about a quarter of the respondents have investment properties outside the region, but majority of them have properties in different parts of the region and not just within a local area.

5.   Portfolio Size of Respondents

Table E-5.5:   No of Properties in portfolio

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-25	16	59.3	59.3	59.3
	26-50	6	22.2	22.2	81.5
	51-100	3	11.1	11.1	92.6
	101-200	2	7.4	7.4	100.0
	Total	27	100.0	100.0	
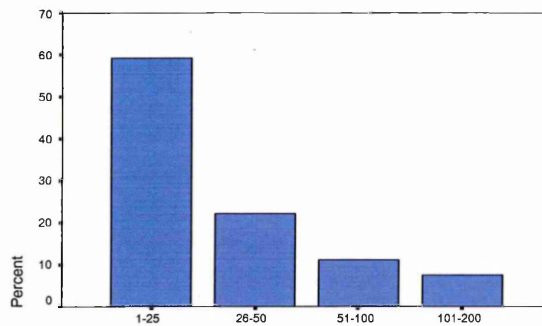
Fig E- 5.3: Total No Properties in the Portfolio

About two-third of the respondents have portfolio size of 1 to 25 compared to 19% who owned between 51 and 200 properties.

6-8.   Proportion of Portfolio & Changes within last 5 yrs

All the respondents reported that their portfolio represents a 76-100% of their company's tangible assets. Whilst 92% reported that the portfolio size changed during this period, 89% reported an increment in portfolio size. Though what this statistics cannot define is whether the changes are driven by endogenous or exogenous variables (Stickland, 1998) and this will be explored further in stage II.

Table E-5.6   Change in portfolio over last 5yrs ?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	25	92.6	92.6	92.6
	No	2	7.4	7.4	100.0
	Total	27	100.0	100.0	

Table E-5.7   Sort of Portfolio change

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increased	24	88.9	88.9	88.9
	Decreased	1	3.7	3.7	92.6
	Other	2	7.4	7.4	100.0
	Total	27	100.0	100.0	

Fig E-5.4   Sort of Portfolio change
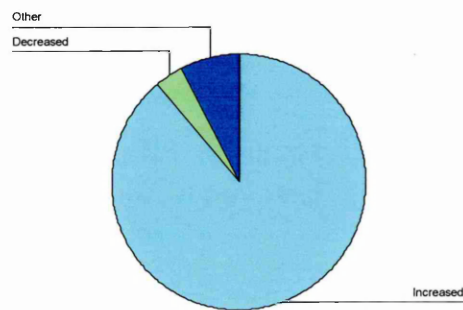
Fig E-5.5   Change in portfolio over last 5yrs ?
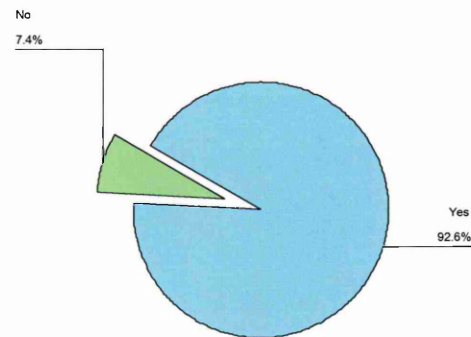
9.   In the management of their real estate assets, the proportion of the following activities undertaken by respondents are:

Proportion of management directly undertaken by Respondents regarding their property portfolio	Whole %	Part %
a) Determining corporate strategies (including ethos, staffing, goals etc)	96.3	3.7
b) Determining Investment strategies (including acquisition/ sale & funding)	96.3	3.7
c) Business Process (daily / routine operations)	85.2	14.8
d) Property or Facilities Management	63	37

Table E-5.8

117

It is not surprising to have a high number of respondents being responsible for their corporate and investment strategies and business processes, because the exclusion criteria had limited the sample frame to those companies actively engaged in commercial property development or investment. However, a significant number (37%) still engage the services of Consultants in their property or Facilities Management.

The essence of this question is to establish the basis (or lack) of any work practice, ethos or cultural reorientation impacting on the investment of respondents. Hence those not directly undertaking service/property management or determining strategies are unlikely to be directly responsible for creating or controlling the customer capital and some of the structural capital that arise from commercial property investment.

10. Proportion of outsourced services by respondents

(Table E-5.9) Services Outsourced by Respondents	Yes %	No %
a) Property Management only	25.9	74.1
b) Facilities Management only	3.7	96.3
c) Operations (such as IT service management)	11.1	88.9
d) Mechanical & Electrical	51.9	48.1
e) Fit-out works only	81.5	18.5
f) Others (pls specify)...... Project Management, Site Management etc	7.4	92.6

The sum of outsourced services - property management, facilities management and other services - is equivalent to the 37% of respondents who confirmed they are not directly responsible in previous question. This question was not designed to include construction or development contracts, but services, which are rendered in the process of managing a commercial portfolio.

Of the reasons given for outsourcing in question 11, 88.9% do it for cost efficiency reasons whilst another 85.2% recognise a shortage of know-how in their employees, which necessitate outsourcing these services. This theme will be explored more with regards to knowledge acquisition and transfer in stage II of the research.

12-15. Perception of respondents relationship with their customers and existence of a complaint system

Regarding the above, 66.7% maintain a traditional landlord-tenant relationship, 40.7% have evolved to a more contemporary perception of their organisation as Service Providers, and the overlap between both statistics of 26% represent those who consider themselves as both. Further, 55.6% confirmed the existence of a customer complaint system in their organisations and majority of these respondents (93.3%) consider their system as efficient with specified turnaround[i] period being a week for 87.5% and more for the rest.

Section B

Structural, Customer and Human Capital in Commercial Property Companies

The decision was made to limit the analyses of this stage to basic descriptive statistics (to include uni, bi and multivariate analysis) for simplicity and rational interpretation. This is based on this Researcher's opinion that some of the non-parametric tests are inapplicable (e.g Mann-Whitney Test, Wilcoxon Test) and others are irrelevant due to none categorisation of data in this section (e.g Chi-Square). Also, the objective of this research is the exploration of a phenomena and not the testing or prediction of an outcome.

Visual examination of the data collected reveal that these are non-parametric distributions and should therefore be subjected to non-parametric tests. In addition, apart from the histograms (see two samples below), which are skewed, neither the skewness or kirtosis equates 0 of normal distributions and the variances also lack homogeneity as shown in the table below for question 16.

The standard error of mean and standard deviations are all less than 1, hence representing little dispersion from the sample means.

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[i] It should be noted that specified turnaround period is not synonymous with achieved turnaround period and the intention at the stage was to establish the existence of internal processes geared at regulating conflicts and interaction with customers.

Q.16   Ranking listed variables according to the representativeness of Respondents' policies

Statistics		(a) Operatio nal Decsn	(b) Critical Decsn	(c)Tenan ts Opinion	(d) Consulti ng Agents	(e) Involving tenants	(f) Flexible leases	(g) Satisfact n & Lease terms	(h) Courtesy Contact	(l) Hot-housing	(j) Rev Organisa tional K	(k) Data Accessib ility
N	Valid	23	23	23	23	23	23	22	24	22	21	23
	Missing	4	4	4	4	4	4	5	3	5	6	4
Mean		2.21739	2.82608	1.52173	1.95652	1.91304	2.39130	2.13636	2.25	1.5	2.04761	2.56521
Std. Error of Mean		0.16582	0.08081	0.12367	0.16001	0.17685	0.10405	0.13636	0.12409	0.14339	0.16148	0.16425
Median		2	3	1	2	2	2	2	2	1	2	3
Mode		3	3	1	2	1	2	2	2	1	2	3
Std. Deviation		0.79524	0.38755	0.59310	0.76742	0.84815	0.49901	0.63960	0.60791	0.67259	0.74001	0.78775
Variance		0.63241	0.15019	0.35177	0.58893	0.71936	0.24901	0.40909	0.36956	0.45238	0.54761	0.62055
Skewnes s		-0.42664	-1.8430	0.62515	0.07621	0.17491	0.47713	-0.11415	-0.15833	1.03292	-0.07730	-1.45655
Std. Error of Skewness		0.48133	0.48133	0.48133	0.48133	0.48133	0.48133	0.49096	0.47226	0.49096	0.50119	0.48133
Kurtosis		-1.25370	1.52180	-0.46998	-1.22261	-1.60702	-1.95056	-0.31979	-0.34727	0.04286	-1.04049	0.39326
Std. Error of Kurtosis		0.93476	0.93476	0.93476	0.93476	0.93476	0.93476	0.95278	0.91777	0.95278	0.97194	0.93476
Range		2	1	2	2	2	1	2	2	2	2	2
Utopian KM Level		3	3	3	3	3	3	3	3	3	3	3

Table E-5.10

Fig E- 5.6: Ranking daily operational decision regarding respondents property int
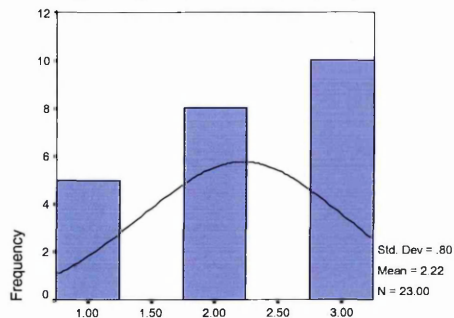
Fig E- 5.7 Tenants' opinions are sought befor our products
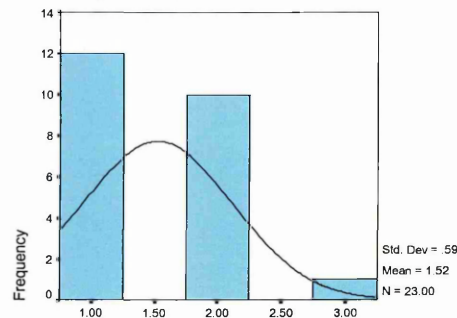
Question 16 is designed to explore the level of knowledge sharing during decision making by employees or management; the acquisition of customer and market knowledge as a basis for product design and formulation of legal contracts; the prioritisation of cadres of customers for special servicing and accessibility of knowledge repositories to all employees. Each sub-question is scaled between 1-3 with 3 representing the highest level of collaboration and knowledge sharing or transfer. Question 16 (a) is reverse-scored and related to 21(a). There is a near normal distribution for some questions (such as consulting agents before product designs)

below, whilst liaison with customers at product and service design stage, ranks quite low.

Fig E-5.8: Respondent consulting property

agents before designing products
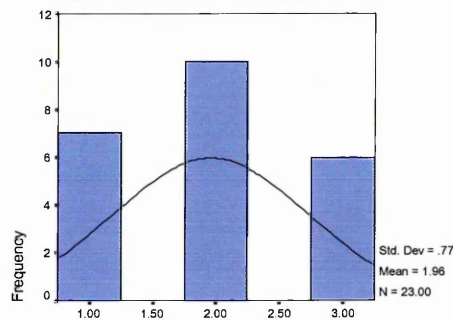
The overall average score of all respondents is plotted in relation to the ideal level of KM

Fig E-5.9: Structural & Customer Capital
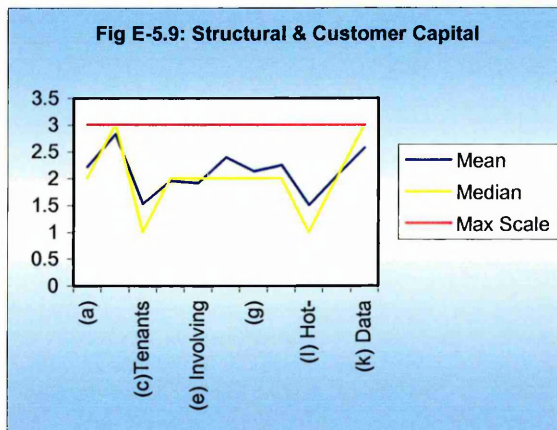
What is evident from an inspection of Fig E-5.9 is that whilst the internal processes and structures regarding relationship of respondents with the outside world exist, the nearest to ideal levels are decision making by the higher cadres of staff (directors & management) and accessibility of data repositories to all staff. The lowest relate to liaison with tenants before products are designed and delivery of specialised services to valuable clients. The margin of improvement between existing level of operation and the ideal KM level is shown below with the white- spotted area. The current method of knowledge acquisition, creation or sharing and customer relationship management of a case study will be explored in depth at stage 2 of the research.
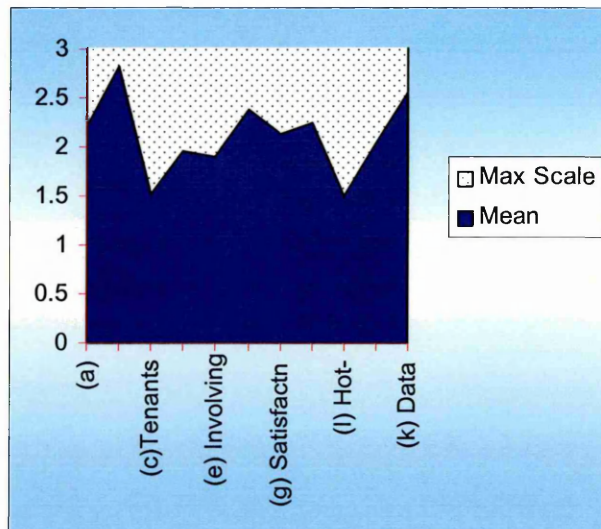
Q.17-19   Regarding introduction or modification of work culture and restructuring of the information system within the last 5 years.

88.9% of the respondents confirmed that they have either modified the existing or introduced a new work culture within the last five years, 100% agreed that their information systems have been restructured over same period (in order words, even the 11.1% who claimed their work practice has not changed have restructured their information system) – the potential contradiction need to be explored by subsequent research in this area. However, in hindsight, this author could have given a range of definitions on what "a new work culture" means, as the respondents have possibly given it different subjective interpretations.

Regarding the general configuration of respondents' IT system, 100% have an emailing function, 74.1% have a scheduling/diarising function, 51.9% possess an electronic document management system (of which there are various types), 74.1% have shared database(s), only 63% is web enabled and just

44.4% have remote access to their desktops or servers.

Crosstabulation of Q17 and Q12

As can be seen in Tables E-5.11, 95.8% of respondents who have introduced new or modified work practice within the last 5 years have also experienced growth in their portfolio size; compared with 66.7% of those who have not modified their work practice who experienced growth.

Table E-5.11   Change in portfolio over last 5yrs ? * Have you introduced any new practice or modification to your work culture in the last five years? Crosstabulation

			Have you introduced any new practice or modification to your work culture in the last five years?		Total
			Yes	No	
Change in portfolio over last 5yrs ?	Yes	Count	23	2	25
		% within Change in portfolio over last 5yrs ?	92.0%	8.0%	100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	95.8%	66.7%	92.6%
		% of Total	85.2%	7.4%	92.6%
	No	Count	1	1	2
		% within Change in portfolio over last 5yrs ?	50.0%	50.0%	100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	4.2%	33.3%	7.4%
		% of Total	3.7%	3.7%	7.4%
Total		Count	24	3	27
		% within Change in portfolio over last 5yrs ?	88.9%	11.1%	100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	100.0%	100.0%	100.0%
		% of Total	88.9%	11.1%	100.0%

However, whilst 62.5% (see table E-5.12) of those who have modified their work culture still consider their company as traditional landlords, only 45.8% (see table E-5.13) have adopted the contemporary label of Service Providers (with an overlap of 8%). Though in reverse cross-tabulation, all companies (100%) who consider themselves as Service Providers confirmed that they have modified their work culture which compares favourably with only 83% of other respondents who claim to remain traditional landlords. Hence, does change in work culture contribute to growth? How does a cultural or work practice change relate to core property investment functions and can KM aid the process? – these will be explored more in stage II.

123

Table E-5.12   Perception of Company's relationship with customers/occupiers -landlord * Have you Introduced any new practice or modification to your work culture In the last five years? Crosstabulation

			Have you introduced any new practice or modification to your work culture in the last five years?		Total
			Yes	No	
Perception of Company's relationship with customers/occupiers -landlord	Yes	Count	15	3	18
		% within Perception of Company's relationship with customers/occupiers -landlord	83.3%	16.7%	100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	62.5%	100.0%	66.7%
		% of Total	55.6%	11.1%	66.7%
	No	Count	9		9
		% within Perception of Company's relationship with customers/occupiers -landlord	100.0%		100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	37.5%		33.3%
		% of Total	33.3%		33.3%
Total		Count	24	3	27
		% within Perception of Company's relationship with customers/occupiers -landlord	88.9%	11.1%	100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	100.0%	100.0%	100.0%
		% of Total	88.9%	11.1%	100.0%

(see page 123 for comments)

124

Table E-5.13   **Perception of Company's relationship with customers/occupiers -Service Provider * Have you introduced any new practice or modification to your work culture in the last five years? Crosstabulation**

| | | | Have you introduced any new practice or modification to your work culture in the last five years? | | Total |
			Yes	No	
Perception of Company's relationship with customers/occupiers -Service Provider	Yes	Count	11		11
		% within Perception of Company's relationship with customers/occupiers -Service Provider	100.0%		100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	45.8%		40.7%
		% of Total	40.7%		40.7%
	No	Count	13	3	16
		% within Perception of Company's relationship with customers/occupiers -Service Provider	81.3%	18.8%	100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	54.2%	100.0%	59.3%
		% of Total	48.1%	11.1%	59.3%
Total		Count	24	3	27
		% within Perception of Company's relationship with customers/occupiers -Service Provider	88.9%	11.1%	100.0%
		% within Have you introduced any new practice or modification to your work culture in the last five years?	100.0%	100.0%	100.0%
		% of Total	88.9%	11.1%	100.0%

(see page 123 for comments)

Q.20 Ranking the degree of relevance of listed variables to respondents' corporate policies:

Table E-5.14	Not Critical %	Ambivalent %	Critical %
a) Ability to centrally store and retrieve data promptly & effectively	7.4	25.9	66.7
b) Stream-lining procedures to eliminate duplication	14.8	33.3	51.9
c) Continuous investment in IT (hardware / software)	33.3	37	29.6

In support of the response to question 16 (k), 66.7% of respondents consider the central storage and retrieval of data promptly critical to their business goals, about half of them wish to streamline procedures to eliminate duplication and majority (37%) are ambivalent to continuous investment in IT[i].

Whilst the response to these questions represent the level of relevance to respondents business goals, stage II of this research would explore the level of success at this and contribution of KM to the outcome.

Q21. Ranking the degree of representativeness of listed variables to respondents operations:

Apart from questions 21 (a & c) which are ranked in reverse order, all other sub-questions (b to l) were designed to explore the level of attention paid to the development of human capital through the employment of knowledge workers, reward system purely based on knowledge and length of service, recording of explicit knowledge and attempting to capture tacit knowledge, auditing the company's skills & knowledge base, retraining employees and sustaining corporate objectives through long term plans based on conscious scanning of market competition.

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[i] This trend is supported by both the 2002 and 2003 DTI findings that smaller businesses are not only becoming more cautious in their ICT strategies but actually reducing their ongoing investment after previous years 'dash for access' (DTI, 2004)

The SPSS cases were transposed into 27 variables which were measured in terms of their mean score on all questions 22 (a-l) and the outcome plotted against the maximum scale of 5 to determine the pattern within respondents and as a tool to select candidate(s) for stage II research.
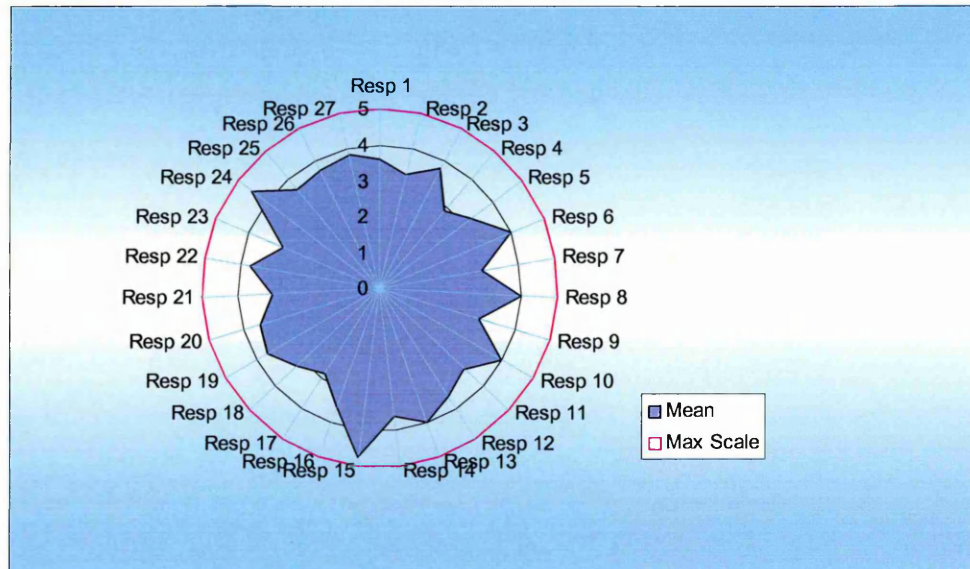
Fig E-5.11: Human Capital In NW Commercial Property Companies – Q.21

A visual inspection of the spectrum graph in Fig E-5.11 reveals all the respondents have a mean range of 2-4 on the Likert scale with the exception of two, which are over 4. This question only explores the disposition of corporate operation and not the level of achievement of set objectives e.g employees may be encouraged to record and share specialist know-how, the level of success may however depend on many factors such as employee mindsets, organisational culture, facilitating tools, conducive physical work place etc. Stage II research would explore these issues in depth.

At a glance, most of the respondents are evenly balanced in their approach to human capital and if this is driven by traditional estate management principles or endogenous variables (such as KM) and exogenous variables (such as market forces) will be further explored.

Q22. Ranking the degree of importance of listed variables to respondents as communication or working tools:
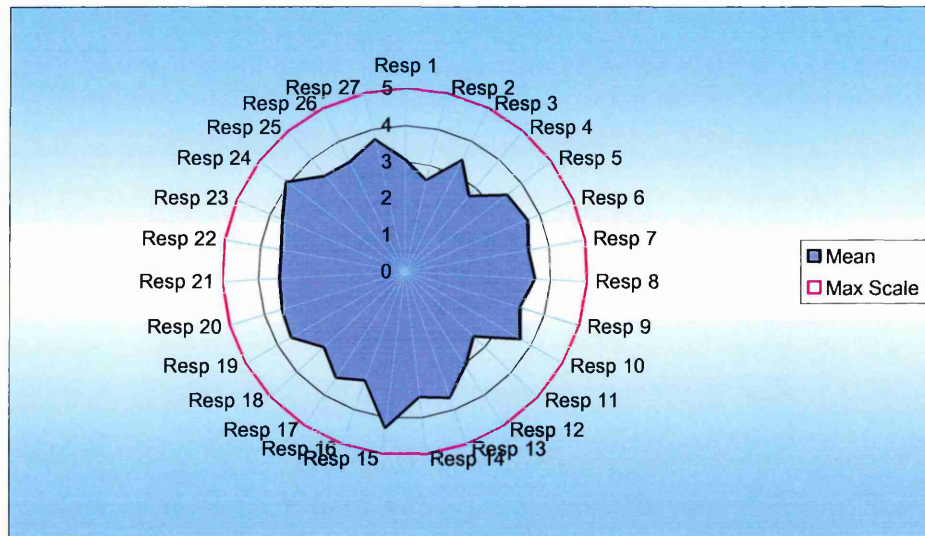
Fig E-5.12: Communication Tools in NW Commercial Property Companies

A visual inspection of the spectrum graph in Fig E-5.12 reveals all the respondents have a mean range of 2-4 on the likert scale with the exception of the same two (resp 15 and 24) which are differentially over 4 (where 4 represents 'strongly in agreement' on the likert scale). Answers given to questions 19 and 20 already reveal that respondents place a high premium on data capture and sharing. What this question explores is the nature and importance to respondents of listed tools for communication and data storage. The question was limited to basic tools and does not explore the existence of complex communication systems such as wireless microwave systems, fibre optic networking, VoIP and others means of deploying a company intranet and enhancing seamless transmission of data and voice with resilience.

Given the ongoing technological innovations, it is surprising that less than 8% of respondents scored above scale 4 (which represents 'important' on the likert scale) in the importance attached to the listed items as a working tool or data storage medium. This will be further explored in stage II to determine the reasons for this and how the deployment of these items could enhance management of both financial capital and intellectual capital of property companies in the NW.

Q23. Respondents Understanding of Knowledge Management:

Whilst 22% of the respondents confirmed that they know nothing of knowledge management, the others chose multiple answers as shown below in Table E-5.15 with the highest (70.4%) correctly concluding that KM could mean all the options offered in this question.

Table E-5.15 Options	Respondents (%)
a) Know nothing of it	22.2
b) It involves the application of new I.T/I.S to achieve corporate goals and creation of centrally accessible database (s) of corporate know-how	11.1
c) It is the reorientation of existing human resource to a new work practice	22.2
d) It is the employment & management of knowledge / skilled workers	22
e) It is the creation, distribution and utilisation of staff know-how	7.4
f) It is the maximisation of our knowledge resource to satisfy & enhance our customer relationship	14.8
g) It is all of b-f	70.4

Q.24   Implementation of KM Initiatives By Respondents

Table E-5.16   **Have you implemented any km initiative in your company?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	3	11.1	11.1	11.1
	No	24	88.9	88.9	100.0
	Total	27	100.0	100.0	

Despite the existence of various management practices (revealed in q. 21 and 22) and the general understanding of the meaning of KM by majority of respondents (q.23), when asked if they have implemented any KM practice in their companies, a clear majority of respondents (88.9%) answered in the negative (see Fig E-5.13). Various reasons could account for this, such as respondents not realising that their practices conform to subsets of KM, or they may consider proactive or labelled KM practice as the only genuine one etc. This author would recommend more investigation of this variance by other Researchers on these phenomena in commercial property businesses.

Fig E-5.13   Have you implemented any km initiative in your company?
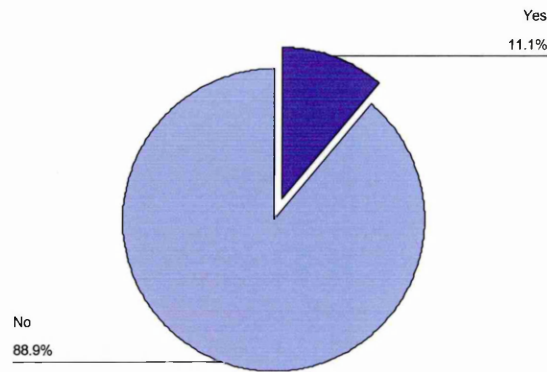
Reliability & Validity of Survey Instrument:

Internal Reliability -

With multiple indicator measures such as in Section B where respondents answers are aggregated to determine overall score, there exist a possibility that the indicators do not relate to the same thing and therefore lack coherence (Bryman, 2001). Hence based on a model of internal consistency that calculates the average inter-item correlation (i.e average split-halfs reliability coefficients), the Cronbach's alpha for the Questions 16, 21 and 22 are as follows:

Table E- 5.17 Question	No. of Cases	No of Items	Reliability Coefficient
Q.16	18	11	0.6866
Q.21	23	12	0.8062
Q.22	27	14	0.4840
Total – Q16, 21 & 22	18	37	**0.8441**

According to Bryman (2003) a computed alpha coefficient will vary between 1 and 0 and the figure 0.8 is typically employed as a rule of thumb to denote an acceptable level of internal reliability. On this basis, the three key questions in

section B with multiple-scale answers are internally consistent and acceptably reliable.

Face validity -

Having established internal reliability of the three key questions, face validity was self-determined by the Researcher based on the extensive literature review which provided the bases for the questionnaire formulation. Hence, questions were derived not to measure impact but to explore the existence of KM in commercial property companies. The focus was to confirm whether respondents have policies, company structure, essential assets and culture to facilitate the creation, capturing, transfer and sharing of data, information, knowledge and know-how.

5.50   Summary of Stage 1 Survey:

The survey established the compound structure of commercial property companies in terms of classifications due to the influence of various tax regimes. Most of the respondents are small to medium size companies with less than 100 employees.

In addition, the study discovered that though commercial property companies in this sector could be classified into those who consider themselves as traditional landlords, Service Providers or those who have modified their work practice, all types experienced a growth in their portfolio within the last 5 years (albeit with a differential in proportion of 17%).

In terms of the core objective of establishing the existence of KM in this sector, aggregated answers to the key questions reveal that majority of commercial property companies in the NW manage their resources between a scale of 2-3 on the 5 point Likert scales. Though it appears that basic Estate Management practices facilitates collaboration and information sharing between employees, there is a significant room for improvement before reaching the optimal KM level. Also, current labour and organisational policies in these appear to be geared towards rewarding knowledge workers, deployment of modern computer systems/ softwares as data repositories and management tools.

Whilst most respondents appear to understand the meaning of KM, most (88.9%) confirmed that they have not implemented any KM practice in their company. Hence, the outcome of this initial survey created the necessity to modify the stage II research methodology (from one where a group of KM practitioners could be surveyed and compared with another group serving as control) to a case study type.

Therefore, stage II of the research would seek to study in-depth one of the few (11.1%) respondents who have modified their work practice in terms of employing KM initiatives in order to determine the specific drivers for human, structural and customer capital management. It would seek to know the similarities and differences between traditional estate management practices and KM practices from this case study. Where there is a need for comparison (such as in the investment variables) the case study outcome would be compared to a general sector benchmark, which represents the average of the sector majority who have not implemented KM initiatives as a change management process.

Whilst the stage I survey revealed a paucity of choice in potentials for stage II, the author considered approaching the two highest scorers as case studies but was limited by the consideration that a thoroughly detailed study of one could yield richer qualities of phenomenological results than a superficial investigation of two.
Further, on the returned questionnaires, only one of the two highest scorers indicated consent for follow-up interviews. Hence, a decision was taken to approach the highest scorer in questions 21 and 22 (respondent 15 – Bruntwood Estates Ltd) as a case study to explore the underlying factors in depth. This case would then be compared with the NW commercial property market sector (by virtue of IPD benchmarks) and opinions of both employees and customers would be explored in order to establish the dynamics of KM on Bruntwood's investment outcome and corporate objectives.

Finally, the decision to approach Bruntwood as a case study was also influenced by this Researcher's professional access to the respondent (amongst other potential respondents) and a presumption that any company genuinely keen to undergo or experiment with change management practices ought be opened to intellectual pursuits that a case study of their practice would constitute. This presumption was confirmed with the approval of stage II proposal by the Board of Directors of Bruntwood after a presentation on this subject.

Stage I Survey Goals

- To explore the nature of ICT policies, management practices (in terms of human relations, customer relations and internal structures) in NW commercial property companies
- To establish the level of KM practices in same companies and select a case study

Stage I Outcomes

- Establishment of the nature (demographics) of commercial property companies in the NW
- Establishment of the importance of ICT, Customer Relations and Human Relations to the survey population
- Exploration of the significance of changes in work practice to respondents
- Establishment of current practices which dovetails with KM
- Exploration of the understanding of KM amongst respondents
- Determination of level of process-based KM practice in survey pop.
- Determination of the proportion of respondents currently implementing KM Initiatives

Further Actions - Stage II Research Goals

- Are the drivers for changes in commercial property businesses endogenous, exogenous or a mixture of both?
- Exploration of the current and past practice of knowledge creation and transfer (acquisition or sharing) and intellectual capital management practices of a case study.
- Nature of cultural changes within the last 5yrs to be explored
- Exploration of the interplay of individual mindsets with organisational culture
- Is change in work practice related to capital growth or profitability? How does a cultural change relate to core property investment functions and can KM aid the process?
- Examining the type and outcome information management initiatives leading to data capture, distribution, process redesign etc
- Exploration of the dynamics between estate mgt practices and KM
- What are the contributions to investment objectives (including employee and customer satisfaction or retention) of KM and ICM?

Fig E-6: From Stage I to Stage II

Chapter Six

6.0   Stage II Research Process

6.10   Case Study Approach

A case study entails the detailed and intensive analysis of a single case or instance of a phenomenon of interest. It is concerned with the complexity and particular nature of the case in question (Stake, 1995). This approach implies a single unit of analysis, such as a company or group of workers and is often used in exploratory studies (Hussey & Collis, 2003).

The characteristics of this research approach include the use of multiple methods for collecting data (both quantitative and qualitative); it does not commence with a set of questions and notions about the limits of the study and seeks to not only explore but to also understand phenomena within a particular context (Yin, 1994). The tendency to associate this approach with qualitative methods alone has been criticised by Bryman (2002) as inappropriate.

Following the initial analyses of returned questionnaires, and the approval of the Board of Directors of Bruntwood Estates Limited, this Researcher commenced the conduct of an in-depth case study .

6.20   Profile of Bruntwood Estates Limited

Formed in 1977, Bruntwood Estates Ltd is a privately owned property investment company with its origin in the industrial property sector. However by the mid 1980's this focus had changed significantly to enable the company to increasingly carve out a niche in the commercial property *tertiary market* in the North West – with most of their current portfolio of 65 properties comprising redeveloped buildings instead of new builds.

Over the past 26 years Bruntwood has enjoyed year on year controlled and planned growth in the region of 20% pa. They have maintained an aggressive acquisition strategy, which has led to their ownership of a large portfolio of office stock in

Manchester City Centre (about 20% currently) and across South Manchester; and more modest holdings within Warrington, Liverpool, Birmingham and recently in Leeds.

Bruntwood is currently one of Manchester's most prominent businesses, a profile, which is as much attributable to their high profile support of Manchester city and their commercial achievements. Their corporate social responsibility (CSR) activities include backing many of Manchester city's arts establishments, fund raising for many local charities, funding of Research Programmes in Universities and perhaps most prominently their part sponsorship of the Commonwealth Games 2002.

With a current headcount of 240 (an increase from 179 staff when this survey was carried out in July 2003), the company operates a very proactive network of teams grouped around tasks on the basis of competencies. More than 60 Building & General Practice Surveyors constitute the vanguard of the company's activities with a bevy of support workers such as Chartered Accountants, Human Resource Managers, Marketing Experts and Customer Service Managers.

Commercially the company's business highlights include;

- At Sept 31 (the company's year end), 2003 turnover stood at £37.4m
- At Sept 31, 2002 the share of the Manchester city centre office stock was 13% (which significantly increased to 20% by 2003 year end)
- At Sept 31, 2002 the share of Old Trafford's office stock stood at 26%

The service offerings include provision of office space, management of the building products, management of business services (through their Business Centre subsidiary), fit out works etc.

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[i] Taken in this research to represent the redevelopment of buildings constituting tertiary grade to new builds

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                        ┌──────────────────┐
                        │    Chairman      │
                        └──────────────────┘
                                 ↕
                        ┌──────────────────┐
                        │ Board of Directors│
                        └──────────────────┘
                                 ↕
        ┌──────────────────┐         ┌──────────────────┐
        │ City Centre      │ ←────→  │ Regional Centre  │
        │ Operations Team  │         │ Operations Team  │
        └──────────────────┘         └──────────────────┘
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   ┌────────────────────────┐    ┌────────────────────────┐
   │ Building Teams         │    │ Building Teams         │
   │ (Asset Manager, Building│    │ (Asset Manager, Building│
   │ Surveyor, Sales/ G.P   │    │ Surveyor, Sales/ G.P   │
   │ Surveyor, Customer     │    │ Surveyor, Customer     │
   │ Service Manager,       │    │ Service Manager, Finance│
   │ Finance Manager)       │    │ Manager)               │
   └────────────────────────┘    └────────────────────────┘

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                │ Acquisitions & Development      │
                │ (Building Surveyors, Development│
                │ Surveyors &.Telecoms/ Special   │
                │ Projects)                       │
                │              +                  │
                │       Central Team              │
                │ (Admin., HR, Finance, Asset     │
                │ Income, Marketing & I.T         │
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Fig F-1: Bruntwood Operational Structure in 2003

6.30   Structural, Human & Customer Capital

The company's internal processes and structures have evolved significantly over the years and are intricately intertwined with the organisational culture – ethos, values, and individual mindsets.

Various management strategies recently or currently explored by the company include Kaizen (*continuous improvement*), Investors In People, Customer Relationship Management and Knowledge Management. With the exception of Kaizen, all of the past or ongoing initiatives are badged with a customised company name to give it a local flavour and encourage adaptation to specific needs. The processes are based on some entrenched ethos and generally referred to as "The Bruntwood Way". The core corporate values are currently symbolised by 12 key epithets which are:- Integrity, Pride, Respect, Can Do, Challenging, Learning, Ownership, No Nonsense, Long Term, Survival, Vibrant and Rounded. Prior to this, the key slogans in the company's marketing strategy were flexibility, innovation, quality product, customer service and adding value (these initial values have transformed into the ideological core of the organisational culture, whilst the newer epithets serve as the cultural communication processes).

Being a commercial property investment company[ii], the company's portfolios of properties are usually held, redeveloped and managed as income producing assets. As the latent values are realised, the portfolio worth is geared to refinance further expansion.

Hence, the internal processes are partly influenced by the obligatory regulations of professional institutions (to which many of the Surveying staff belong - such as the RICS & CIOB); and partly by statutory obligations - such as those imposed by building and/or planning regulations on the design and execution of any building owned by the company or by statutory regulations on employment and workplace.

Central to the company's management culture is a 'conscious attempt' to eliminate hierarchies in functions and run what it refers to as "flat management structure". How successful they are at this is one of the themes explored in the stage II research.

Typically, a group of buildings (about 3 - 6) depending on size, complexity, stage of (re)development or nature of tenants would be banded together and managed by a

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[i] CI is a collection of activities that constitute a process intended to achieve improvement. In manufacturing, these activities primarily involve simplification of production processes, chiefly through the elimination of waste. In service industries and the public sector, the focus is on simplification and improved customer service through greater empowerment of individual employees and correspondingly less bureaucracy, Jha et al (1996)

[ii] Company Accounts prepared to SSAP 19 "Accounting for Investment Properties" which enables departure from Company's Act 1985 regarding depreciation of property assets which are based on historical cost revalued yearly to sustain growth (unlike in trading companies)

team of employees with competencies ranging from Building Surveying, Sales (Agency), Asset Management, Finance and Customer Service.

These teams meet constantly and are directly responsible for the letting and management[i] of all the buildings. Whilst most of the team members are based at the head office, the Customer Service Managers (CSM) with mini-teams are based in the buildings and are frontline representatives of the company. The interaction of the team members, means of sharing knowledge and impact of the separation of the customer service personnel by physical distance (on the work culture and perceptions of building based staff) will be explored further in this research. This dept has been restructured thrice in the last three years and the current structure is represented by Fig F-2

The Building department represents the project management arm of this business and they are primarily in charge of the rolling maintenance, the design and supervision of major redevelopment or dilapidation works. Hence, the study will further explore the dynamics of this project-based part of the business with the rest of the company in terms of the management strategy.

Fig F-2: Customer Service Team Structure
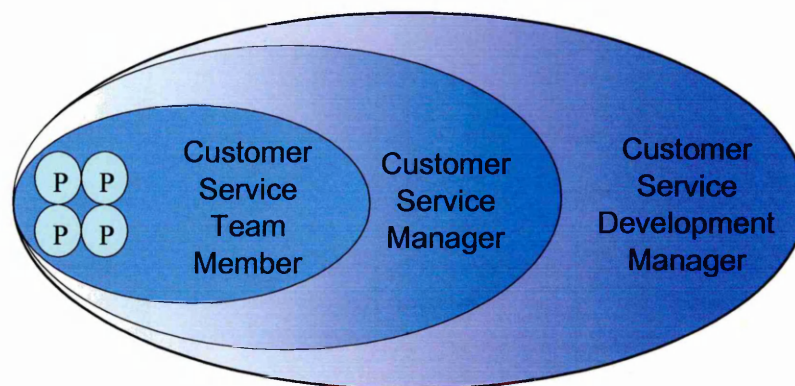
where **P** represents a property or groups of properties.

The Human Resources department is in charge of recruitment and retraining of all staff. In view of the certification of this business as an 'Investors in People' organisation,

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[i] Except those on full repairing & insuring leases

another theme to be explored in the survey is the impact of strategies by this department on the human capital of the business.

It is a policy of this business to brand all its buildings with its logo, which has been carefully cultivated by the Marketing department, whose duties include design and production of marketing materials, branding of the buildings and corporate social hospitality events. The impact of this intangible asset on the overall intellectual capital of the company will be further explored by this study.

The head office has been redesigned thrice in recent years based on an open plan model with modern breakout points, innovative team display/message boards, strategic placement of corporate value epithets, staff kitchen, team grouping places and the enhancement of communication between all employees (see Appendix IV). The networking of the head-office has also evolved over the years to one, which presently consist of multiple servers; a Lotus-Note based correspondence management system (CMS), and various databases. The pc estates comprise a combination of laptops (with some having wireless capability) and desktops. The telephone system is a wireless handset type to enhance continuity of communication with roaming capability. The contribution of this virtual and physical workspace on the management strategy and intellectual capital of this business would be explored further in this case study.

The tenants within the company's portfolio are considered as 'customers' , hence the customer service culture of this business would be explored further by this study in order to determine the customer capital.

6.40 Case Study Research Design

In order to effectively assess the dynamics of KM within Bruntwood Estates Limited, this researcher employed a variety of data collection methods, as follows:

- Preparation and distribution of questionnaires to all 179 employees of the business using the internal electronic communication network (with a word doc. version that was faxed to those without direct p.c access) and secured response rate of 110 valid questionnaires (representing 61.45%) within two weeks. The questionnaire that was designed with a Lotus Note software explored various themes ranging

from establishing the cultural orientation to the pattern of mindsets, intellectual assets etc (please see appendix II);

- Preparation of an interview schedule (as a guide -see appendix III) for an average of 60 minutes semi- structured interview of 22 employees (including the Chairman, the M.D and three other Directors);

- Observation of the physical (see appendix IV) and virtual workspace (see Fig F3 & F4) and collection of secondary data on the business (including the audited accounts, a recent report by IPD (benchmarking the company's performance to the property sectors outside London & SE) and a recent customer survey by external Consultants.

The interviews conducted by this researcher at various places within the organisation, were iterative semi-structure types (recorded for subsequent transcription and analysed using Nvivo software).

6.50   ICT And Systems Development

The ICT systems in Bruntwood have evolved over the years. It grew from standalone desktop computers with a few softwares (windows 3.0 and Mayfair accounting package) to 2 file & print servers that connected the two offices in Cheadle (the original headoffice) with Portland Tower (the second head-office). Further from the 1995 configuration shown in Fig 21 the network has currently grown to include 8 servers, hundreds of computers and broadband connections (VPN – virtual private networks) to some buildings and bruntwood business centres as shown in Fig 22. The current combination of contemporary software applications, databases and hardwares include the following:

- **Hardware**: Head Office - CAT5 cable & Airconnect mobile networks comprising 111 PCs, 61 laptops, 47 printers and 4 scanners, 8 servers (for the following functions - Mailserver, Tramps, File & Print, Firewall, Fax, Email & Internet Content sweeper and Development);

Fig F- 3:   **Bruntwood Network in 1995** (source: BEL IT Dept)

- 40 Users
- Windows 3.1
- Multisoft & Mayfair – Accounts Packages
- Super Office – Sales contact DB
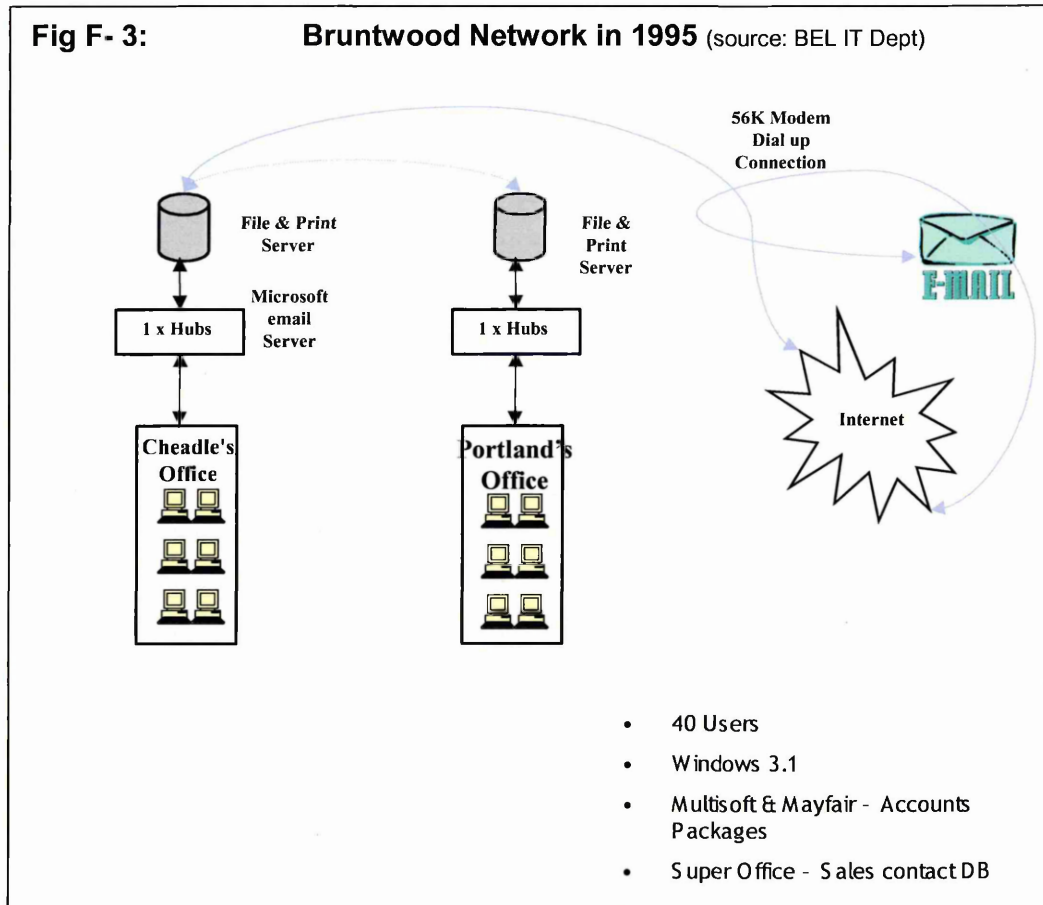
- **Softwares:**
- Server Operating Systems: Windows NT4.0,
- Desktop Operating Systems: Windows XP & 98
- Desktop applications - Lotus Notes and Microsoft Office Professional '97, 2000 & XP
- Strategic systems: Correspondence Management System based Lotus Domino & Notes R5 applications & TRAMPS / BTRS property management / accounting database and HR Paymaster;
- Others: Cleanstream Internet content sweeper, Mailsweeper email content sweeper, Gnatbox Firewall & Remote Access software, ArcServe Backup, Autocad installed on 3 terminals, Sophos antivirus, Vizual Personnel Manager and Building Maintenance Systems (for lifts, M&E management in buildings)

Fig F- 4:   Bruntwood Network in 2003 (source: BEL IT Dept)

Domino Mail Server

Tramps Server

Fax Server

Development Server

E-MAIL

Incoming Email
Outgoing Email
2Mb Leased Line

8 x Hubs

Router

2Mb Leased Line

Internet

56K Dialup

Head Office

2Mb Internet Access

iCritical Server

Broadband/IS DN Connection

VPN

Firewall

Outgoing Email

Mailsweeper Server

BBC

155 Users

Server 2000 & Windows XP (majority)

Tramps/BTRS

Lotus Notes - CMS

6.51   Servers and Notes clients

The architecture of Lotus Notes consists of three primary programs: a Domino server[i], an Internet standard server, and the Notes client.

- The Notes client runs on a computer running Windows software. It communicates with Domino servers and Internet servers the employees can, among other things, shared databases, read and send email, access each others electronic diaries, find people and databases, and browse the Web.

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[i] A Domino server is not the same as a file server. A file server is a computer that provides access to shared resources like printers and applications, and manages network activity

- The Domino server - a computer running Windows- provides services to Notes client users and other Domino servers including storage of shared databases and Notes mail routing.

- An IMAP or POP3 server - any computer, such as one provided by an Internet Service Provider (ISP) that allows employees to read and send e-mail messages from your Notes client.

Notes embraces Internet messaging standards and enables users to view Internet mail messages, Web pages, and newsgroups with full fidelity (because of MIME and HTML support), and security (using SSL, S/MIME, and X.509 certificates)

6.60 Bruntwood's Lotus Notes & Correspondence Management System (CMS)

In Bruntwood, the most significant communication network is the Lotus Notes & CMS applications, which serve as the main network at the head-office (and some broadband enabled buildings). It serves as the platform for many databases that are broadly divided within the Bruntwood system architecture into either Lotus Notes (titled 'Email') or CMS (see Fig. F-5)

Introduced by the company in 2001 in phases (in order to facilitate gradual user acceptability), the system enables the scanning of hardcopy mails and faxes to all employees to be held on an electronic platform viewable and accessible to them. Amongst the objectives set by the company's Management at the time of installation was the achievement of a near-paperless office. The impacts of this venture will be explored later in this case study.

Created by Lotus Development Corporation (an IBM company), Lotus Notes is a multi-faceted software for computers with Windows platform and enables networking of employees *(see attached Appendix CD for an automated powerpoint presentation labelled 'notestour').*

The application is expected to facilitate data capture/storage, effective knowledge sharing, information transfer, prompt archiving, team collaboration and better organisation of corporate activities. Whether or not it fulfills these expectations will also be explored in the stage II survey and employee interviews.
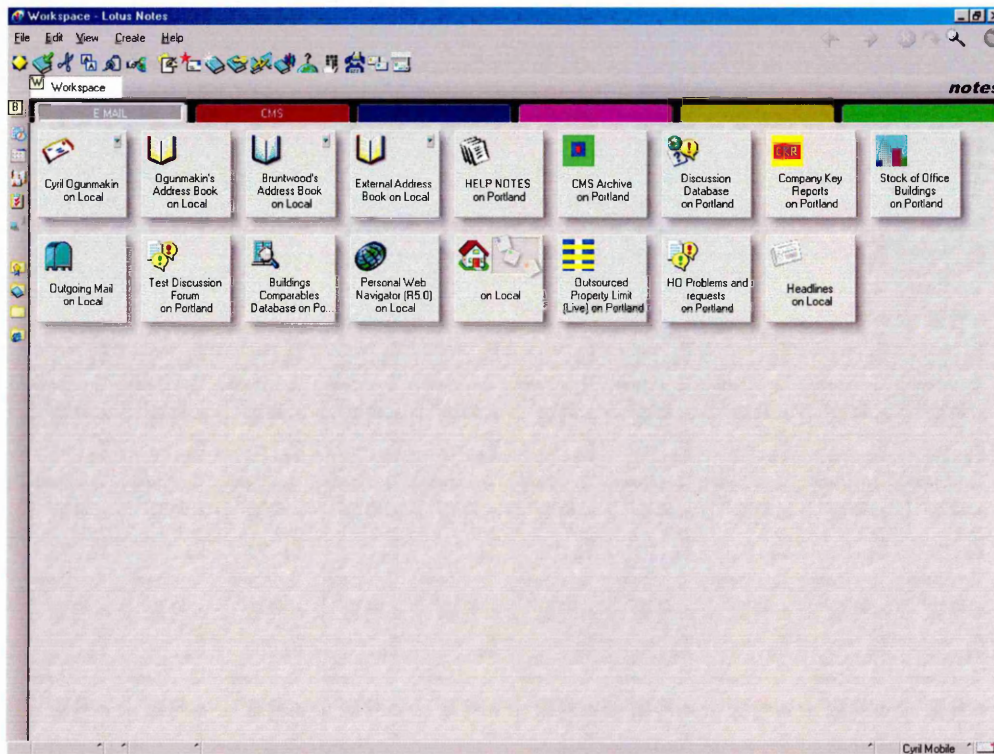
Fig F- 5: A screenprint of databases on Lotus Notes ('Email') in Bruntwood

The Notes section holds various databases (such as company key reports, address books, task databases, Local email repository), the strength of Bruntwood's network lies in the CMS section.

Functionally the Notes application is designed to extend the power of messaging through data and information exchange based on the following functions:

- E-mail

- Calendar

- To do lists

- ▪ Address Book

- ▪ Internet address lookups

- ▪ Web browsing

- ▪ Internet e-mail (IMAP or POP) client software

- ▪ Internet newsgroup messaging

- ▪ Secure certificates
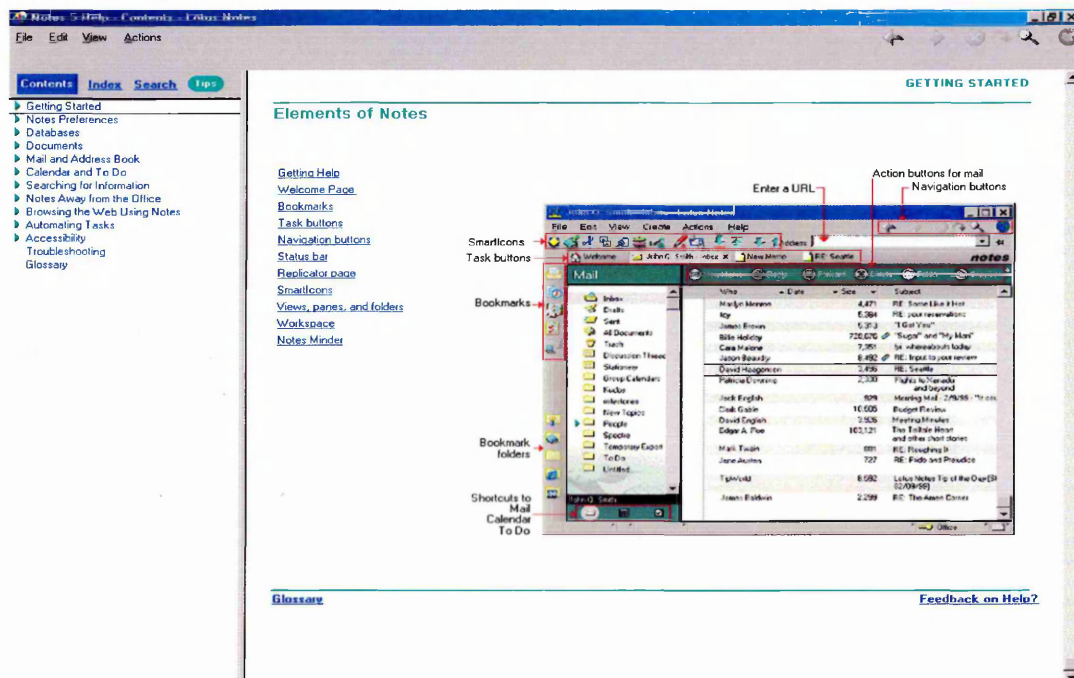
Fig F- 6: A Screenprint of Lotus Notes Layout

Incoming emails can be easily transformed into 'To Do' tasks or appointments and vice versa. This section is the entry portal for all emails and incoming electronic faxes before Bruntwood employees are expected file them away in CMS or delete, thereby keeping their inbox to 30 – 40 Mb limits.
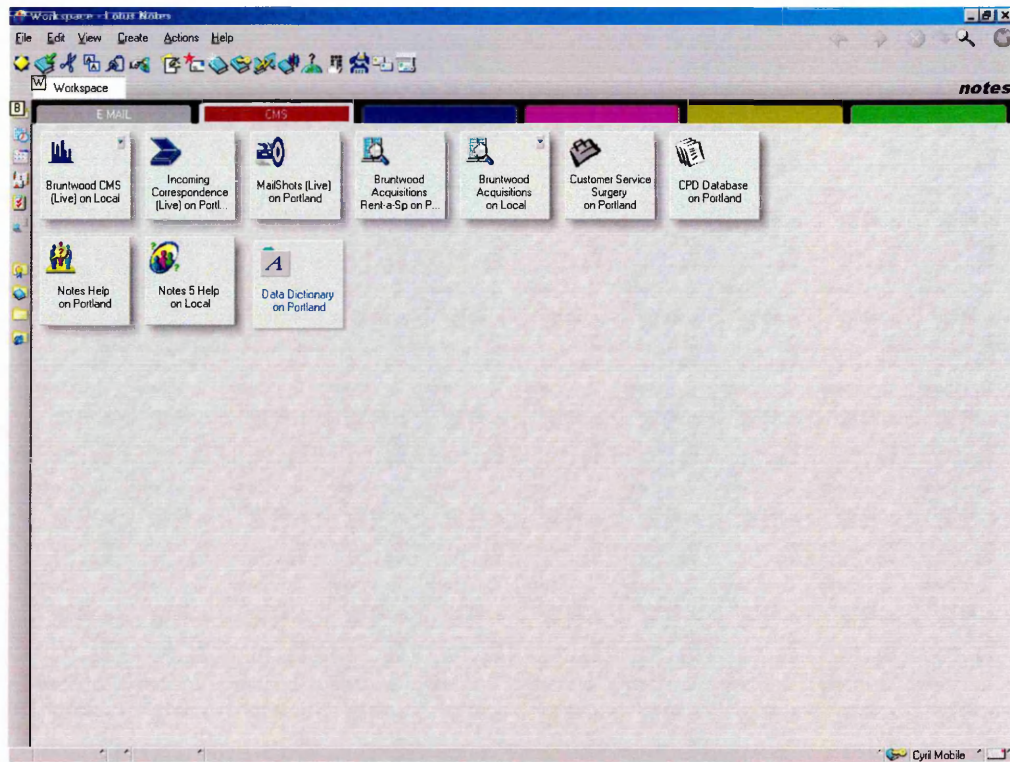
Fig F- 7: Screen-print of CMS Portal

The main CMS portal enables access to:

- CMS button (a comprehensive library of all the company's portfolio products and customers);

- Acquisition database (where scanned brochures and investment appraisals of new buildings proposed for purchase are held with restricted access);

- Incoming correspondence (where scanned copies of daily mails from post rooms are temporarily held until deleted or filed in appropriate customer/project folder by recipients);

- CPD database (where documents from seminars, presentations and workshops on various topics are kept).

- Customer Service Surgery (where annual surveys of customers are held) etc

CMS is a library of all buildings, projects, business contacts, active enquiries, tenant files, communication records and repository for scanned documents (such as Tenancy Agreements, specifications, risk assessment records and drawings).

Within this library, letters, emails and faxes are generated for customers and automatically filed in date sequence. To aid a prompt turnaround of mails, prototype templates designed for various tasks can be downloaded and modified to suit any current purpose. Also available are signature and various salutations drop-down lists.

Also available are templates for Meeting Agenda, Minutes, Report, Communication Records (which employees are expected to utilise to record phone calls in or out any significant snippet of information other members of the team browsing that file could benefit from.

In order to locate documents in this vast library, a search can be done using a combination of keywords, names, buildings, projects or other variables.
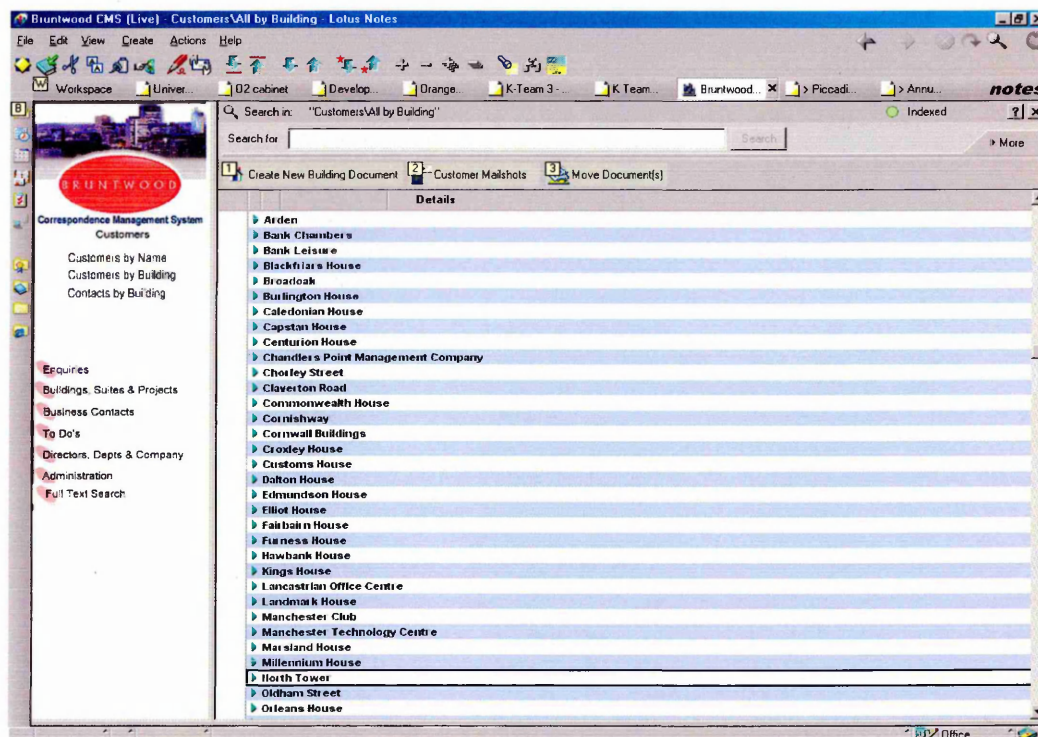
Fig F- 8: Screen-print of CMS Property Library

6.6.1 Remote or Mobile Connectivity:

Notes has a feature that automatically creates server connections configured at a location for remote use. Hence, with this function, Bruntwood employees provided with laptops have the ability to remotely connect to the headoffice server by dialing-up or via a broadband connection.

Also, **Airconnect Wireless LAN** is installed at Bruntwood's head-office with 2 base stations and 10 cards. The wireless nature of this solution makes it portable and therefore potentially useful if users need to switch locations or require access in any of the meeting rooms.

In addition to the various security softwares (such mailsweepers, anti-virus applications, firewalls), the company has also got a disaster recovery server remotely located in one of its buildings outside Manchester, which serves as backup to the headoffice servers. Though this server is currently fed via weekly backup tapes, the ultimate objective is the installation of a VPN to provide real-time download and replication.
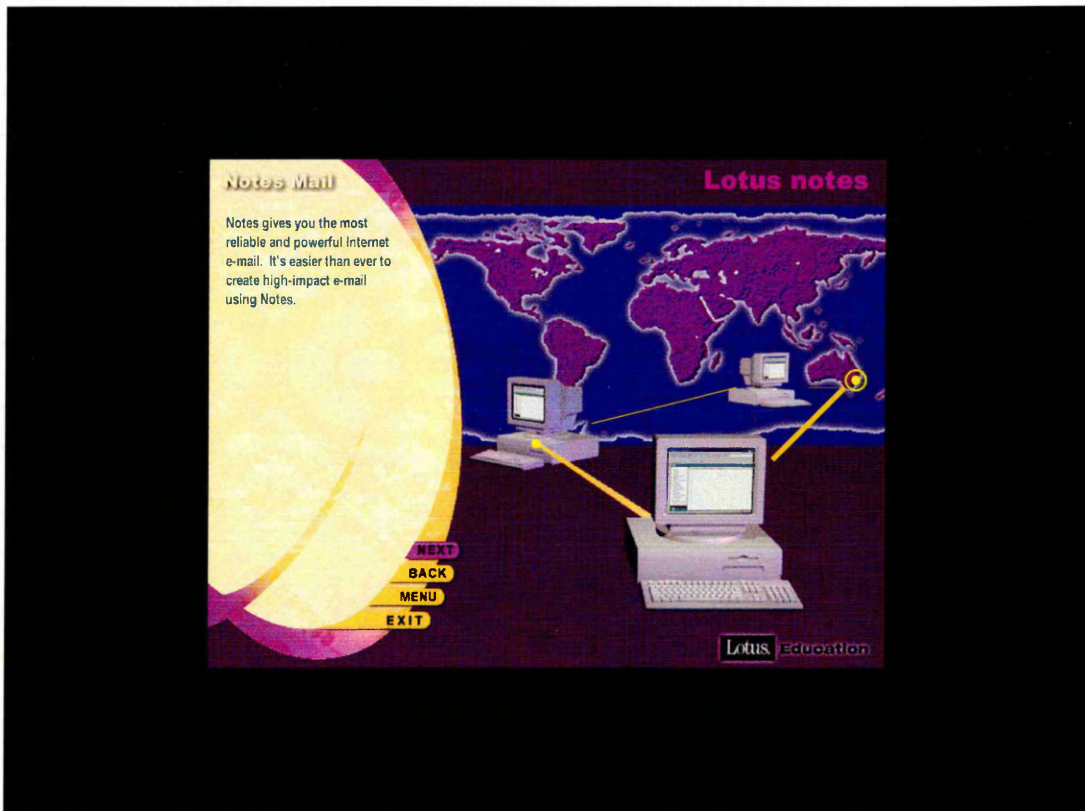
Fig F- 9.1: A slide from Lotus Notes Help Tour (*see full tour on Appendix CD***)**

Fig F- 9.2: BTRS Desktop Layout

6.6.2 BTRS

This is the integrated property management & accounting information system based on Microsoft Access database software. Supplied by Trace Group Plc, the system enables reports to be generated on all properties approved project costs, invoices issued and paid, Bruntwood Business Centre (BBC) reports.

6.70 Bruntwood's Financial Capital

The accounting year end in Bruntwood is 30th September and their annual reports are produced by the firm of Deloitte & Touche LLP. As at September 2003, there were seven Directors and two non-executive Directors of the company.

Though there are various property trading vehicles and investment subsidiaries, for the purpose of this research the consolidated accounts (which is inclusive of Bruntwood subsidiaries) were analysed. United Kingdom company law[i] requires directors to prepare financial statements for each year, which gives a true state of the affairs of the group and the profit and loss for same period.

The objective of the analysis was to determine the pattern of growth (or decline) of the company over a period of ten years (1993 – 2003). Though set up with innovative policies (this assertion will be supported in the interview section) interviewees agree that the deployment of various management practices actively commenced during this period.

6.7.1 Annual Accounts

Table F- 1: Consolidated Profit & Loss Account					
	Bruntwood Turnover	Cost of Sales	Gross Profit	Net Operating Expenses	Operating Profit	Profit (after Tax, Net Interest & Charges)
Sep-93	6,010,178	1,747,265	4,262,913	1,124,094	3,138,819	479,194
Sep-94	7,345,761	2,384,431	4,961,330	1,407,081	3,554,249	571,854
Sep-95	8,702,371	2,964,295	5,738,076	1,911,971	3,826,105	830,359
Sep-96	10,046,205	3,056,712	6,989,493	2,261,378	4,728,115	910,224
Sep-97	10,931,783	3,097,624	7,834,159	2,481,553	5,352,606	1,017,791
Sep-98	13,181,397	3,619,568	9,561,829	3,294,485	6,267,344	1,264,114
Sep-99	15,705,089	4,265,317	11,439,772	4,026,781	8,072,991	2,414,537
Sep-00	20,051,878	6,652,678	13,399,200	3,965,038	9,434,162	2,516,443
Sep-01	24,169,325	7,364,846	16,804,479	5,428,764	11,375,715	3,208,944
Sep-02	29,742,688	8,861,994	20,880,694	6,614,108	14,266,586	3,691,586
Sep-03	37,444,565	12,857,124	24,587,441	6,766,501	22,634,558	9,480,725

[i] Companies Act 1985
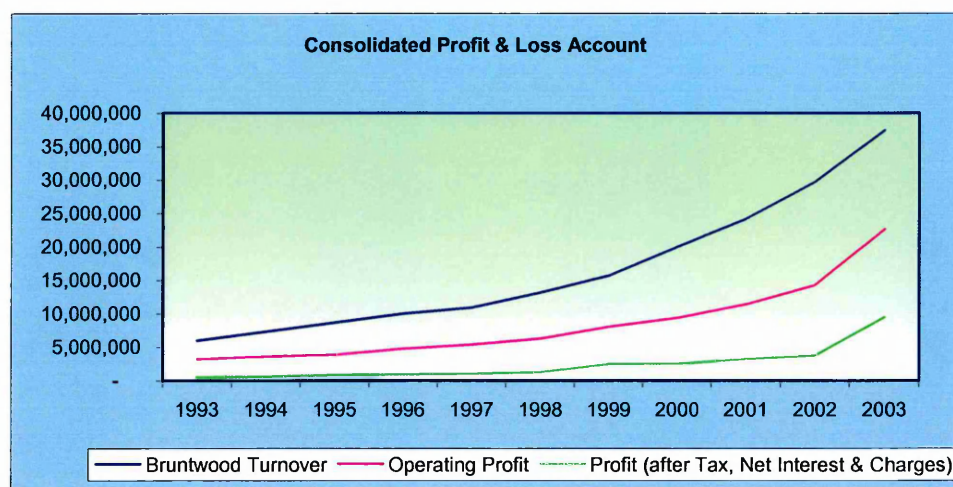
Fig F- 9.3

On the average, Bruntwood's turnover has been increasing by over 16% annually since 1993 whilst profit after tax has increased by an average of 23.4% annually – this marginal difference in profit over turnover is however partly due to exceptional items in 1999 and 2003 (where the grant of a long lease to Crosby Homes in North Tower resulted in an entry of £600,000 and the sale of an investment property resulting in £4.8 million in 2003). The company's impressive growth in terms of net profit has been matched by portfolio growth as well and this is reflected in the balance sheet below.

	Fixed Assets	Current Assets	Creditors (short term)	Creditors (long term)	Net Worth (Net Total Assets)	Total Capital Employed
Table F-2: Consolidated Balance Sheet						
Sep-93	45,776,048	4,867,564	6,705,913	21,388,991	22,548,708	22,548,708
Sep-94	56,795,110	5,381,501	7,591,896	29,263,176	25,321,539	25,321,539
Sep-95	64,424,575	7,497,285	6,095,472	38,354,600	27,471,788	27,471,788
Sep-96	75,923,290	6,738,600	5,736,579	45,284,572	31,640,739	31,640,739
Sep-97	84,031,257	6,956,049	6,350,334	48,595,404	36,041,568	36,041,568
Sep-98	104,281,811	7,400,664	8,683,444	60,485,798	42,513,233	42,513,233
Sep-99	130,265,329	8,694,475	9,501,792	69,315,547	60,142,465	60,142,465
Sep-00	175,761,099	8,924,023	11,292,826	98,372,441	75,019,855	75,019,855
Sep-01	216,948,961	9,804,138	13,346,018	123,390,607	90,016,474	90,016,474
Sep-02	270,527,320	17,049,925	18,708,786	160,678,556	108,189,903	108,189,903
Sep-03	351,222,407	21,058,344	26,059,523	201,185,667	145,035,561	145,035,561
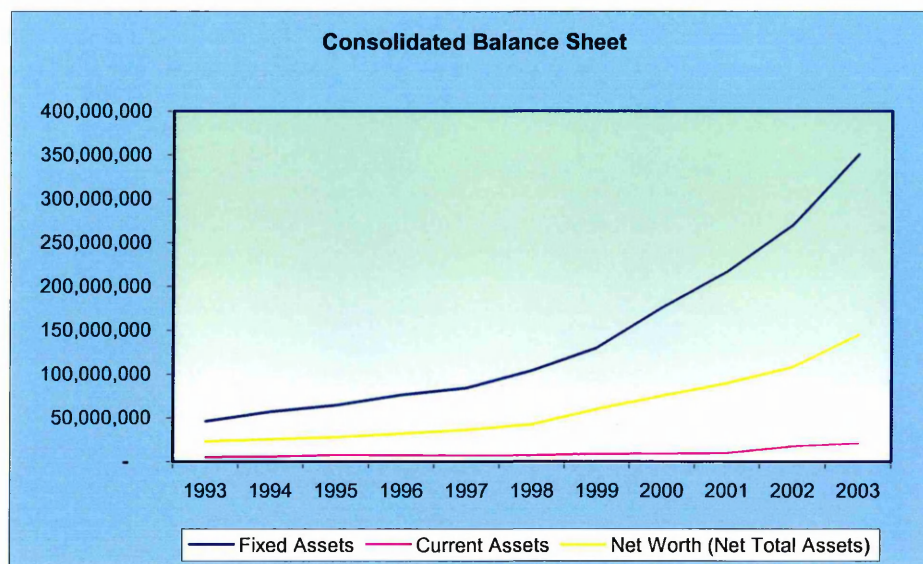
Fig F-9.3

The company's fixed assets (which is a combination of properties held on both free hold and long leasehold) have been increasing annually by an average of 18.3% over the period of 10 yrs.

One of the most important parameters for measuring growth in private companies is the Net Worth (which is simply total assets less total liabilities) and represents the owner's equity in the investment (also known as Total Capital Employed). This parameter reflects the companies short and long term debts plus depreciated fixture and fittings. In Bruntwood, properties are not depreciated in the balance sheet. Though the 1985 Companies Act requires properties to be depreciated, the SSAP[i] 19 amends the requirement of the Companies Act. Due to the fact that the portfolio is not held for consumption but for their investment potential, the directors believe that to depreciate them would not give a free and fair view and therefore opted to adopt SSAP 19 standards. Hence, in accordance with this practice, freehold and leasehold[ii] investment properties are revalued annually on the basis of their open market value and the aggregate surplus or deficit is transferred to a revaluation reserve.

Thus Bruntwood's Net Worth has continued to grow at the rate of 16.7% average per annum and over the ten years period it has increased by 543% from £22.5 mil to £145 million.

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[i] Statement of Standard Accounting Practice on accounting for investment properties
[ii] Depreciation is only provided in respect of any leasehold investment properties with less than 20yrs to run

			Net Fixed	Depreciated	Total Fixed	Unrealised
	Freehold	Leasehold	Assets	Fixture & Fittings	Assets	Revaln Surplus
Sep-93	30,466,001	15,196,000	45,662,001	114,047	45,776,048	2,870,800
Sep-94	35,486,216	21,163,918	56,650,134	144,976	56,795,110	2,245,567
Sep-95	43,160,285	21,017,271	64,177,556	247,019	64,424,575	779,921
Sep-96	49,915,001	25,841,120	75,756,121	167,169	75,923,290	3,309,089
Sep-97	56,453,705	27,350,002	83,803,707	227,550	84,031,257	3,567,962
Sep-98	69,487,640	34,510,002	103,997,642	284,169	104,281,811	1,143,877
Sep-99	87,736,483	42,212,821	129,949,304	316,025	130,265,329	2,285,506
Sep-00	112,180,277	63,166,268	175,346,545	414,554	175,761,099	12,608,591
Sep-01	139,215,656	77,293,933	216,509,589	439,372	216,948,961	12,181,577
Sep-02	181,751,209	88,281,957	270,033,166	494,154	270,527,320	16,794,190
Sep-03	257,380,827	93,484,269	350,865,096	357,311	351,222,407	28,472,307

Table F- 3: Breakdown of Fixed Assets

The Fixed Asset of the company is a summation of the freehold interests, leasehold interests and depreciated[i] fixtures and fittings. Over the period of ten years, the Loan to Value ratio maintained a fairly consistent proportion of the total assets (fixed assets and current assets) that range between 55% and 62%.

6.7.2   Comparison with IPD benchmarks

A comparison of the annual accounts with IPD benchmarks for the North West was considered by this Researcher. The key parameters were however different and detailed adjustment of the annual account figures would be required in order to facilitate a like for like analysis.

According to IPD (2003) through each year, the composition and value of the holdings of IPD funds in a given area change with transactions and development activity. These impacts are removed from the measures by calculating performance for each year only on 'standing investments' - that is, properties held in portfolios from one December valuation to the next. In order to enable these calculations, variations to the 'standing investments' are stripped out.

In Bruntwood's annual accounts, disposals and additions (including capital expenditures) are reflected in the balance sheet and contributes to the net worth and revaluation surplus annually (hence not 'stripped out' for straight line determination).

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[i] Fixtures and Fittings are depreciated on 10-33%of cost, whilst vehicles are 25-33% of reducing balance

Though IPD recognises that even among standing investment properties, some values are affected by factors peculiar to individual buildings, rather than general movements in local markets. Portfolio performance can be affected by the costs of extensions, major refurbishments or other physical changes to the built fabric, and the changes in valuations, which such expenditures may bring about. However, for the purpose of ensuring fair comparison amongst their subscribers, incidences of these special factors have to be stripped out of the results. The results calculated after this 'screening' process are termed 'market standing investment performance measures', or for short 'market returns'. In Bruntwood, the essence of good estate management is the continuous maintenance of properties in their portfolio (including scheduled capital expenditures through five year rolling plans). A number of costs like suite refurbishments are put through their profit and loss account rather than being capitalised in the balance sheet, but not stripped from financial reporting on their portfolio.

In IPD benchmarks for measures of change - total return, income return, capital and rental value growth - continuous performance series are produced by chain-linking the results produced each year by properties defined as market standing investments. In Bruntwood, whilst the capital growth of properties are considered vital, it is measured in terms of increase in revaluation surplus for each property and improvement of yields through the achievement of better covenant strength. Hence as a going concern, Bruntwood is more focussed on the profitability of the business as a whole (measured through parameters like turnover, net worth, fixed assets and revaluation surplus) than straight-line investment measures of individual properties.

Therefore, the difference in financial reporting philosophy between Bruntwood and IPD makes it practically difficult to run a benchmark comparison with IPD. The portfolio size of Bruntwood also exceeds the sample size of IPD (in the North West) and their properties are not included in this sample size being non-subscribers (until 2003), thus diminishing the representativeness of IPD North West benchmarks.

However, in 2003 Bruntwood provided adjusted 2002 data to IPD (based on IPD reporting format) and got a draft benchmarking report, which was made available to this researcher for 2002 only. For the purpose of this report the Bruntwood portfolio was constituted into a fund and compared with IPD all properties (excluding South East & London). The summary of this draft report is shown in Table F-4 below.

Executive summary 1

All Benchmarked Assets

The term 'All Benchmarked Assets' refers to the holdings that IPD has been instructed to include in the main body of the analysis (to measure above the line) and to compare with the fund's benchmark. This portfolio includes only direct UK property assets.

The benchmark selected for this fund is all properties excluding the South East & London based on the September 2002 Quarterly Universe. This benchmark includes only direct UK property above the line. This report has been run using a bespoke market segmentation.

The rankings provided in this report are hypothetical rather than actual. The reason for this are explained in the main body of the report.

The benchmarked assets in the Bruntwood property portfolio recorded a total return of 18.7% in the year to September 2002 and out-performed the 10.9% return achieved by its benchmark (all properties excluding the South East & London based on the September 2002 Quarterly Universe) by 7.0%. The fund also out-performed the IPD Universe by 8.5%.

The fund was ranked on the 0th percentile against the 129 ranked funds in the IPD Universe.

Capital growth and income return

All Benchmarked Assets

The fund's all property return in the year to September 2002 of 18.7%, comprised capital growth of 9.5% (compared with 3.5% in the benchmark) and income return of 9.3%, 1.8% above the average.

Net investment during the year, which is shown on page 10, amounted to 14.2% of year-end capital value. This compares with the benchmark rate of 1.5%. Gross purchase expenditure amounted to 10.3% of year-end value. Development expenditure was a further 3.3% and there was a further 0.7 spent on improvement expenditure. This was partly offset by net sales receipts of 0.1%.

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Total portfolio return and hypothetical fund rankings

		Annualised over last			Sep 1998	Sep 1999	Year ending Sep 2000	Sep 2001	Sep 2002	Dec 2001	Mar 2002	Quarter ending Jun 2002	Sep 2002
	1yr	10yrs	5yrs	3yrs									
Fund	18.7	10.7	10.4	8.8	14.8	11.1	10.3	5.2	18.7	4.4	4.2	4.7	4.3
Benchmark	10.9	10.7	10.4	8.8	14.8	11.1	10.3	5.2	10.9	4.4	4.2	4.7	4.3
IPD Universe	9.5	11.0	11.4	9.6	15.6	11.9	12.4	7.6	9.5	1.9	1.7	2.8	2.7
Fund relative to Benchmark	7.0								7.0	2.2	2.1	1.5	1.1
Fund Relative to IPD Universe	8.5								8.5	2.5	2.4	1.8	1.5
Rank against IPD Universe	1								1	4	3	6	7
Out of total	129	78	105	112	129	122	120	122	129	130	130	130	130
Percentile rank	0								0	2	1	4	5

Portfolio type and asset class comparators

		Annualised over last			Sep 1998	Sep 1999	Year ending Sep 2000	Sep 2001	Sep 2002	Dec 2001	Mar 2002	Quarter ending Jun 2002	Sep 2002
	1yr	10yrs	5yrs	3yrs									
Life	10.1	10.8	11.6	10.4	14.8	11.8	12.3	8.9	10.1	2.1	1.6	3.3	2.7
Segregated Pension	9.1	11.7	11.1	9.1	16.4	12.1	11.6	6.8	9.1	1.3	1.9	2.8	2.8
Pooled Pension	10.1	10.5	11.5	10.5	14.7	11.5	12.3	9.1	10.1	2.0	2.3	2.8	2.7
Property Unit Trust	8.6	11.5	11.9	10.7	15.7	11.6	15.1	8.6	8.6	1.7	1.5	2.6	2.6
Unit Linked	10.1	10.6	11.0	9.3	15.2	11.9	11.9	6.0	10.1	2.3	2.0	2.6	3.0
Other	8.7		11.5	9.0	17.9	12.6	11.9	6.5	8.7	1.7	1.7	2.6	2.5
UK Property Shares (FTA)	-5.5	11.9	0.0	0.5	-8.9	8.3	9.8	-2.3	-5.5				
UK Equities (WM)	-20.3	7.7	-3.3	-10.9	-3.0	23.2	11.2	-20.2	-20.3				
UK Bonds (WM)	10.3	10.3	8.8	8.4	18.6	0.8	7.5	7.4	10.3				
Overseas Equities (WM)	-18.4	6.4	-3.4	-10.6	-12.0	36.7	23.2	-29.4	-18.4				

Capital growth and income return

All Benchmarked Assets

Income Return		Annualised over last			Sep 1998	Sep 1999	Year ending Sep 2000	Sep 2001	Sep 2002	Dec 2001	Mar 2002	Quarter ending Jun 2002	Sep 2002
	1yr	10yrs	5yrs	3yrs									
Fund	9.3								9.3	2.2	2.1	2.1	2.0
Benchmark	7.4	7.5	7.1	7.0	7.4	7.1	6.9	6.9	7.4	1.8	1.8	1.8	1.7
IPD Universe	7.1	7.5	7.1	6.9	7.4	7.1	6.9	6.8	7.1	1.7	1.7	1.7	1.7
Capital Growth													
Fund	9.5								9.5	2.2	2.0	2.6	2.3
Benchmark	3.5	3.2	3.3	1.7	7.3	4.1	3.4	-1.7	3.5	0.3	0.3	1.4	1.5
IPD Universe	2.4	3.6	4.3	2.9	8.1	4.8	5.5	0.8	2.4	0.2	0.0	1.1	1.1

Fund Benchmark and IPD Universe include only direct UK properties

Table F-4: Unpublished IPD Report

Year to end September 2002 - Income return and capital growth

Income return and capital growth by market segment

The table on this page shows the split between the income and capital components of total return overall and by segment, both at the All Benchmarked Assets level and for Direct Property Standing Investments. In each case, relative returns are also shown.

The fund's all property return in the year to September 2002 of 18.7% comprised capital growth of 9.5% (compared with 3.5% in the benchmark) and income return of 9.3%, 1.8% above the average.

Capital growth of 8.7% on the standing investments was 4.9% above the benchmark. Income return was 1.8% above average, at 9.6%. This resulted in a standing investment return of 18.3%.

At the All Benchmarked Assets level, the above-average income return came from the offices in Birmingham and offices in Manchester, which out-performed the benchmark by 2.8% and 2.7% respectively.

This was partly offset by the other commercial in Manchester and retails in Manchester, which under-performed the benchmark by 3.2% and 3.1% respectively.

The above-average capital growth came from the retails in Manchester and offices in Birmingham, which out-performed the benchmark by 26.8% and 7.4% respectively. This was partly offset by the other commercial in Manchester, which under-performed the benchmark by 4.5%.

The fund's All Benchmarked Assets return in the year to end-September 2002 was above the standing investment figure. This was largely due to retails in Manchester, where developments increased total return by 2.9%.

| | All Benchmarked Assets | | | | | | | | | Direct Property Standing Investments | | | | | | | | |
| | Total Return | | | Income Return | | | Capital Growth | | | Total Return | | | Income Return | | | Capital Growth | | |
	Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative
Manchester - Offices	18.7	15.0	3.2	9.9	7.1	2.7	8.8	7.9	0.7	18.9	16.0	2.8	10.0	8.1	1.7	8.9	7.9	1.0
Manchester - Retails	33.9	9.5	22.3	2.4	5.8	-3.1	31.4	3.7	26.8	30.2	11.2	17.0	12.6	6.4	5.8	17.6	4.8	12.2
Manchester - Industrials	14.6	8.5	5.8	9.6	7.4	2.0	5.0	0.9	4.1	14.6	8.2	5.0	9.6	7.6	1.9	5.0	0.6	4.3
Manchester - Other Commercial	4.7	12.9	-7.3	5.0	8.5	-3.2	-0.3	4.4	-4.6	5.9			6.3			-0.3		
Liverpool - Offices	27.6	23.7	3.2	12.3	11.1	1.0	15.3	12.6	2.5	28.4	29.7	3.8	12.7	10.9	1.6	15.7	12.9	2.5
Rest of North West - Offices	16.9	11.5	4.8	8.6	8.9	-0.3	8.3	2.6	5.5	16.6	11.3	4.8	8.6	9.1	-0.5	8.0	2.2	5.7
Rest of North West - All Property		9.7			7.5			2.2			10.2			7.6			2.6	
Leeds - Offices		8.8			7.9			0.9			10.0			8.2			1.8	
Edinburgh - Offices		5.7			6.6			-0.9			5.0			6.8			-1.8	
Glasgow - Offices		11.2			8.1			3.1			10.8			8.2			2.6	
Birmingham - Offices	21.0	10.4	9.6	10.5	7.5	2.8	10.5	2.9	7.4	21.0	10.9	9.1	10.5	7.7	2.6	10.5	3.2	7.1
Bristol - Offices		14.8			9.0			5.7			15.7			9.3			6.4	
Rest of UK - Offices		9.5			7.9			1.7			10.1			8.7			1.4	
Rest of UK - All Property		11.2			7.3			3.9			11.6			7.6			4.0	
Unattributed Indirects																		
Manchester - Offices	18.7	15.0	3.2	9.9	7.1	2.7	8.8	7.9	0.7	18.9	16.0	2.8	10.0	8.1	1.7	8.9	7.9	1.0
Other Regional Centres - Offices	26.0	11.1	13.3	11.8	7.4	4.2	14.1	3.8	10.0	26.5	11.5	13.5	12.1	7.6	4.2	14.4	3.9	10.1
Rest of UK - Offices		9.5			7.9			1.7			10.1			8.7			1.4	
Rest of UK - All Property	17.8	9.8	7.3	7.8	7.4	0.3	10.0	2.4	7.4	15.9	10.4	5.0	8.8	7.7	0.8	7.3	2.7	4.5
Unattributed Indirects																		
All Sectors	18.7	10.9	7.0	9.3	7.4	1.8	9.5	3.5	5.7	18.3	11.3	6.3	9.6	7.7	1.8	8.7	3.6	4.9

Table F-5: Unpublished IPD Report

The draft report prepared by IPD for Bruntwood 'fund' was based on real valuation data of the portfolio. However, the IPD benchmark (UK properties excluding South East and London) is not ideal because it includes data for high street retails, identifies Manchester located properties by postcode and not market understanding (hence conflating the data with those located in Salford, Trafford, and outer fringes which have different market dynamics). Also, included in IPD's benchmark are new build grade A prime properties, which are a different class of properties from Bruntwood's typical refurbished buildings.

In spite of these inconsistencies, the Bruntwood 'fund' outperforms the IPD benchmark in 2002 - in terms of Total Returns (by a margin of 7.8%) and IPD Universe benchmark by 8.5%. Concurrently both capital growth and income returns (which are the two variables the total return comprises) outperform their respective IPD benchmarks. Though not exactly like for like parameters, Bruntwood growth variables over ten years compared with IPD benchmarks are shown in Figures F -9.4 and 9.5 below:

Fig F-9.4: IPD Benchmark of Offices in Manchester, NW & UK

Legend: Manch. Capital Growth, UK Capital Growth, NW Capital Growth, Manch. Total Return, UK Total Return, NW Total Return

Source: IPD Performance Report – Manchester Offices

Fig F- 9.5: Bruntwood Growth Pattern

Legend: Turnover Growth, Fixed Assets Growth, Net Worth Growth

Source: Bruntwood Statutory Annual Accounts

160
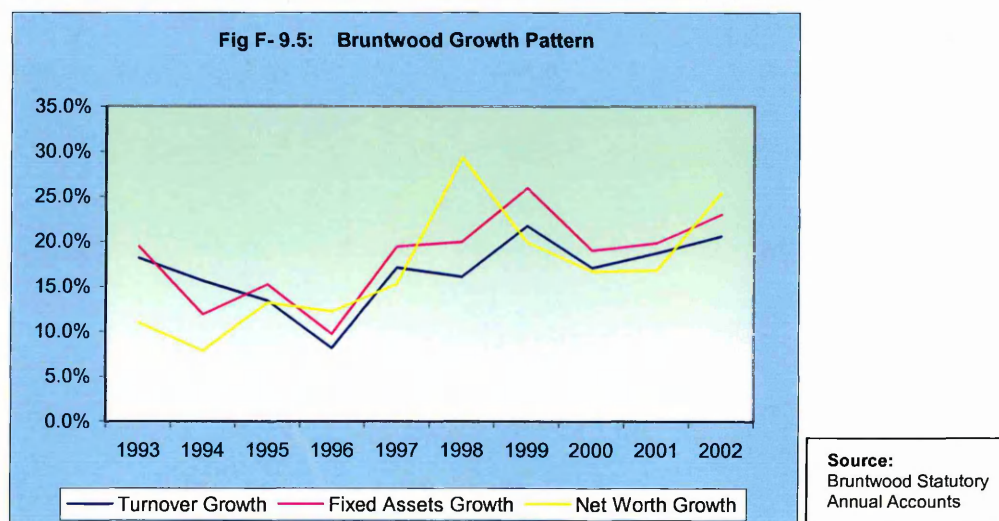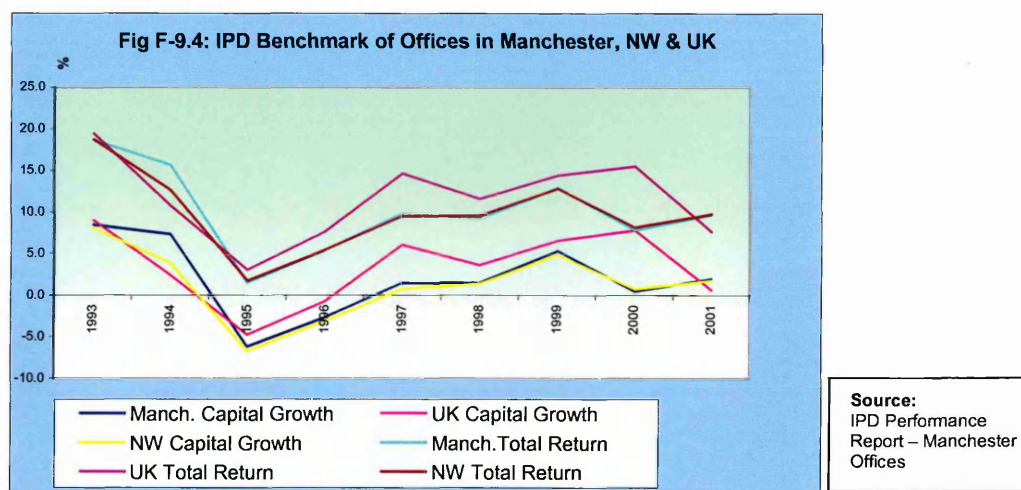
A visual inspection of the two time series graphics for the ten year period (1993 – 2003) reveal similar dips in the growth & return variables for both IPD and Bruntwood in 1995/1996, 1998 and 2000. However, the similarity ends there, at no time did the Bruntwood Fixed Asset Growth dip below 0% compared with the negative Capital Growth of same period in IPD benchmarks. This supports the notion that Bruntwood probably outperform the IPD benchmark throughout this period.

6.7.3 Summary of Financial Capital

Investment in commercial properties requires the simultaneous management of business concerns such as staff (human capital), customers and suppliers/contractors (customer capital) and the operation of supporting processes and structures (organisational or structural capital). Though any or all of these functions can be outsourced, the implications are nevertheless real on the financial performance of the business concern.

The efficiency of managing these resources impacts on the company's credit rating by Creditors, thus impacting on the cost of capital, which in turn influences continuous growth and management of any portfolio – creating a revolving cycle.

This Researcher recognises that positive performance of the property portfolio is essential for any commercial property business to be profitable, however this is not a guarantee for business profitability and growth. A holistic view of any commercial business performance can be better measured through the annual statutory accounts, which measures not only the business' ability to achieve portfolio growth but also overall turnover, net worth and profitability.

The analysis of Bruntwood's annual accounts confirms that within the period of 1993 to 2003, it achieved increasing level of portfolio growth and also returned increasing level of profitability.

6.80 Customer Capital in Bruntwood

Earlier in the literature review, Customer Capital was defined as the value of a company's relationship with the external world - its customers, suppliers, consultants, partners and other stakeholders (Zhou & Fink, 2003). For the purpose of this research, one possible means of determining this value is by interacting with the 'external world' in order to explore their estimation of the worth of their relationship with Bruntwood. During this process, it would be logical to attempt to also extract a similar opinion regarding the services and products offered by the company. An outcome of this nature can be procured through direct interaction by this researcher or by having access to a secondary database of direct surveys previously carried out.

In this regard, this researcher enquired about existing customer surveys that may have been carried out in the past by the Bruntwood. Prior to 2001 a few haphazard surveys were internally carried out by the company but with the focus being determination of customer satisfaction with their products (buildings) only. However, in 2003 a Consultancy firm was employed to carryout a more comprehensive survey (that made occasional comparison with the 2001 survey outcome) and the results were made available to this Researcher.

6.8.1 Customer Survey Parameters

The survey was carried out by an independent Consultancy Firm (Simpson Carpenter Ltd) and involved the design of a comprehensive questionnaire which was distributed by Bruntwood employees to customers for self-completion; with the basic objective of determining their satisfaction with:

- The overall building occupied;
- Their experience within their suite(s); and
- Bruntwood staff and communications.

The eligible respondents were the most senior persons in each suite of offices. All questionnaires were distributed via the Customer Service Teams or directly from Head Office to all customers in May 2003 with a maximum period of one month for returns.

In all, 412 customers were contacted and 273 valid questionnaires were returned. This represented an overall response rate of **66%,** which can be further broken down to 85% in buildings with on-site Bruntwood staff.

A copy of the questionnaire is attached as Appendix V. This researcher has extracted below relevant parts of the result of this survey and a summary is provided at the end.

6.8.2 Customer Survey Outcome

1.0 Customer Demographics

Almost half of Bruntwood customers employ no more than 10 people in their Bruntwood office : the average number of employees per customer is 27. Both figures are in line with the 2001 results.

FIGURE F-10.1 : NO. OF EMPLOYEES AT SITE   (Base : All – 273)
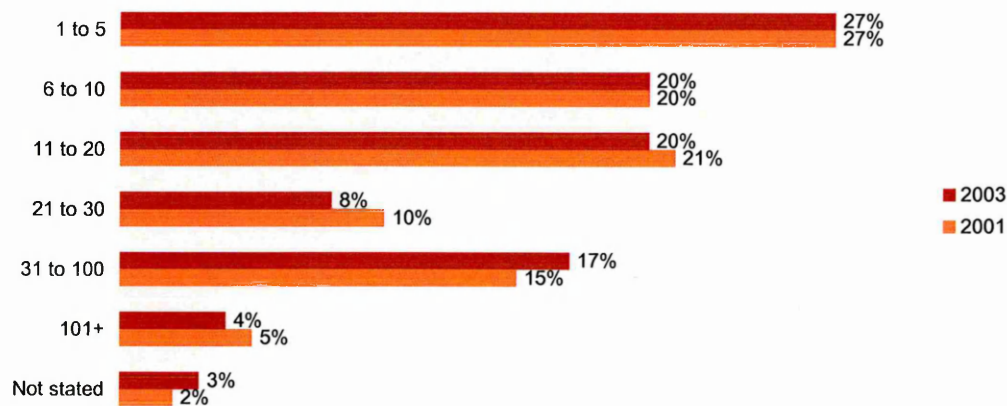
The average number of employees in Bruntwood's City portfolio is 32.5, whilst outside Manchester it is 23.6.

In terms of area of business activity, Figure 10.2 shows a broad spread with the emphasis on professional and financial services.

FIGURE F-10.2 : BUSINESS SECTORS   **(Base : All – 273)**
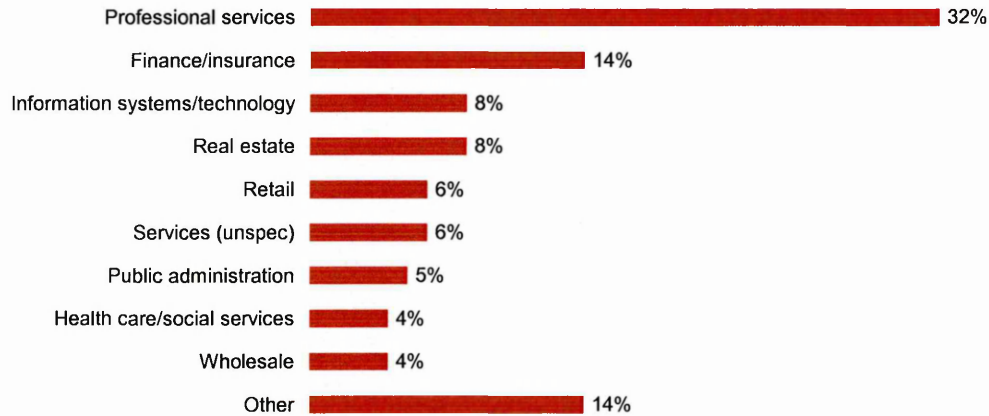
In the entire portfolio, the top 3 business sectors are:-

- Professional, scientific and technical – 32%
- Finance and insurance – 14%
- Information systems and technology – 8% (though when sub-divided into areas, Retail is the third dominant one in the City Portfolio at 10%)

1.1.1   Contact With Bruntwood

The majority of customers (63%) have had contact with Head Office in the last year.

FIGURE F-10.3 : LAST TIME INITIATED CONTACT WITH H.O (Base : All – 273)

In two thirds (65%) of cases, contact was initiated by the customer.
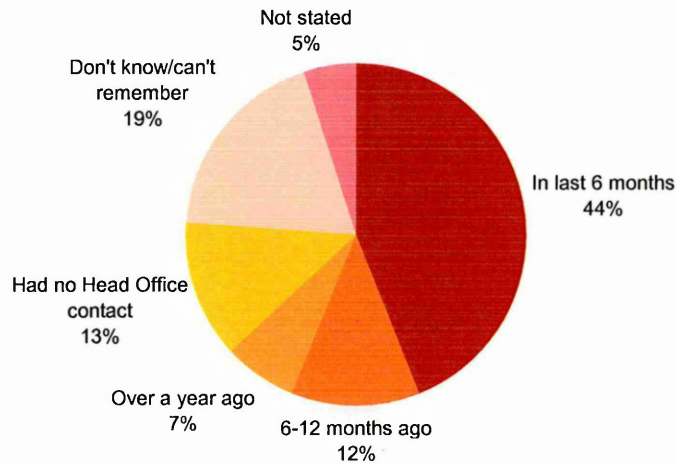
The most common means of contact is telephone (47%), then face to face (25%) and letter (23%). One in ten (12%) use e-mail.

The vast majority (82%) found it easy to contact the appropriate person at Bruntwood. A similar proportion (81%) felt their issue was dealt with efficiently; this is in line with the result (78%) from the 2001 survey.

FIGURE F-10.4 : ISSUES FOR CONTACT WITH BRUNTWOOD (Base : All – 273)
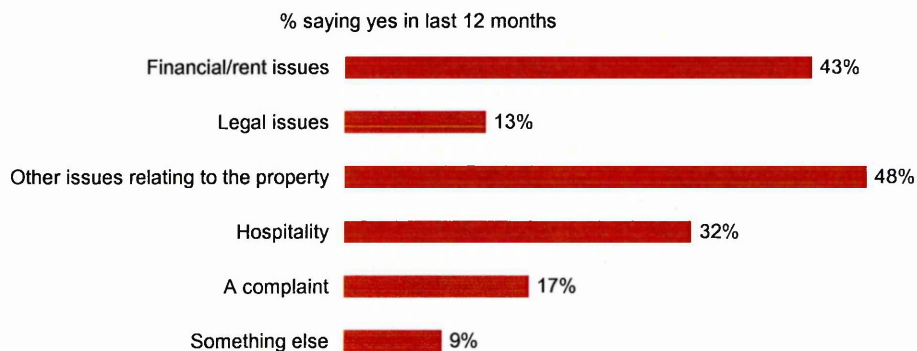
The most common reasons for contact are to do with rent and other issues with the property.

2.   Assessment Of Bruntwood Performance

2.1   Customer Overall Experience of Sites and Bruntwood Employees

Respondents were asked to rank their top 3 priorities out of eight aspects of their building.

FIGURE F-10.5 : BUILDING PRIORITY (Base : All – 273)
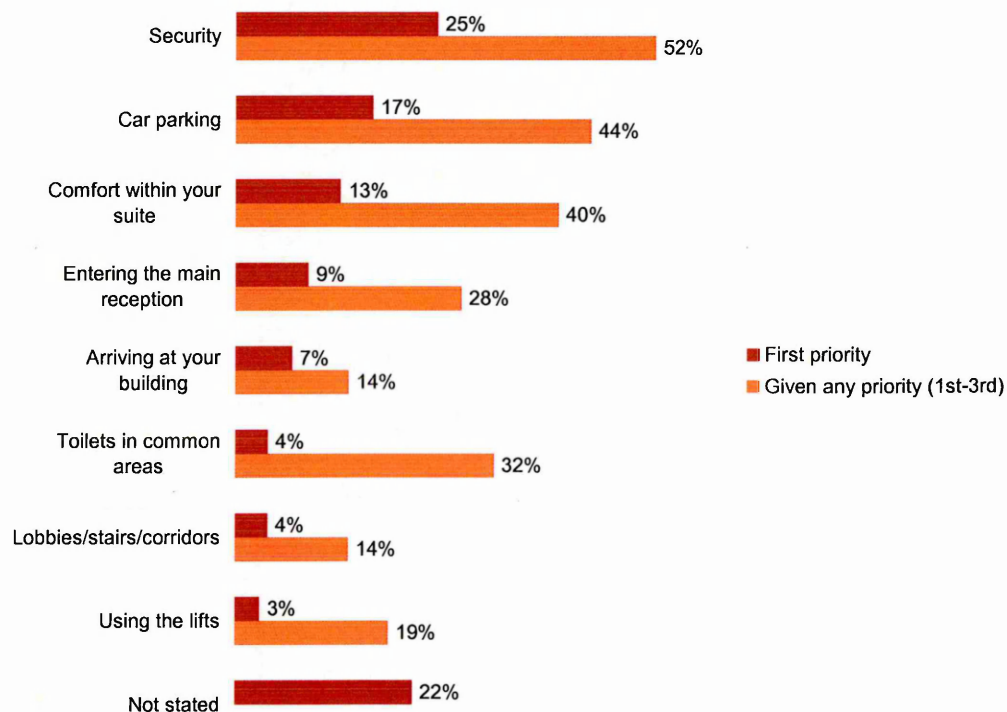
Thus, the highest rated building priorities to Bruntwood customers are Security, Carparking and Comfort within Suites

2.2   Satisfaction with Buildings

The questionnaire in Appendix V sets out the 33 variables respondents assessed. The figure below presents the mean average satisfaction for each of 8 sets of issues.

FIGURE F-10.6 : OVERALL PERFORMANCE (Base : All answering)

% satisfied : combined responses

	%
Main reception	83%
Public/lobbies/stairs/corridors	78%
Security	77%
Arriving at the building	72%
Car parking	70%
Common area toilets	66%
Lifts	61%
In-suite services	49%
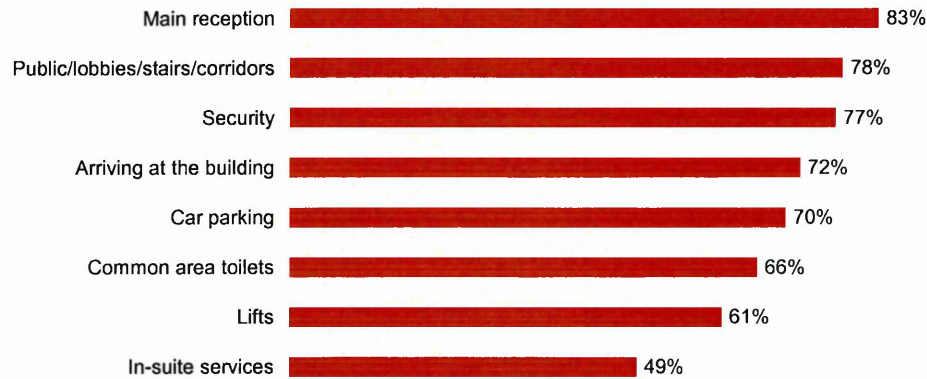
While customers are happy with standards of building entrance, they are much less satisfied about their in-suite service.

Customer Service Teams

All 273 customers were asked to consider the performance of on-site Bruntwood staff. Figure 10.7 shows that Bruntwood staff are seen to perform very well; in particular they are considered to be approachable, helpful and professional. These findings are in line with those from the 2001 survey.

Although still seen as performing well, customers are not quite so impressed with Teams' abilities to be pro-active, and "deliver the goods".

FIGURE F-10.7 : SATISFACTION WITH Onsite Service Base : All with an on-site team – 297   (Mean scores : 1=very dissatisfied, 5=very satisfied
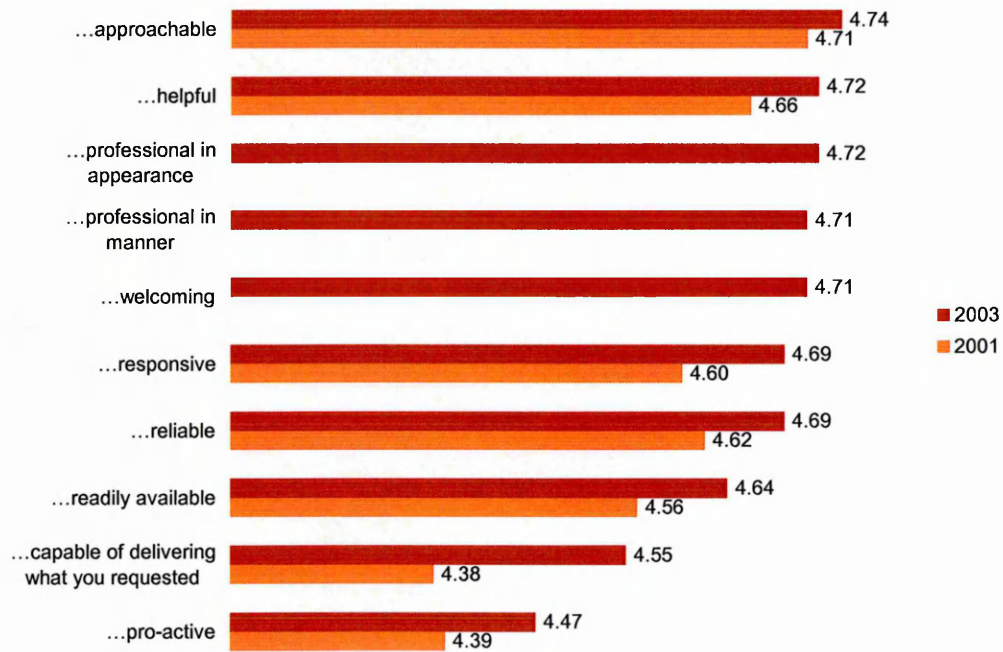
2.3   Traditional Landlord Vs. Partnership Ranking

Customers were asked to rank their perception of both current and desired/ideal relationship with Bruntwood on a scale of 1-10.

FIGURE F-10.8 : THE RELATIONSHIP   (Base : All answering)

Current Relationship

Mean Score
6.28

Ideal Relationship

Mean Score
7.85
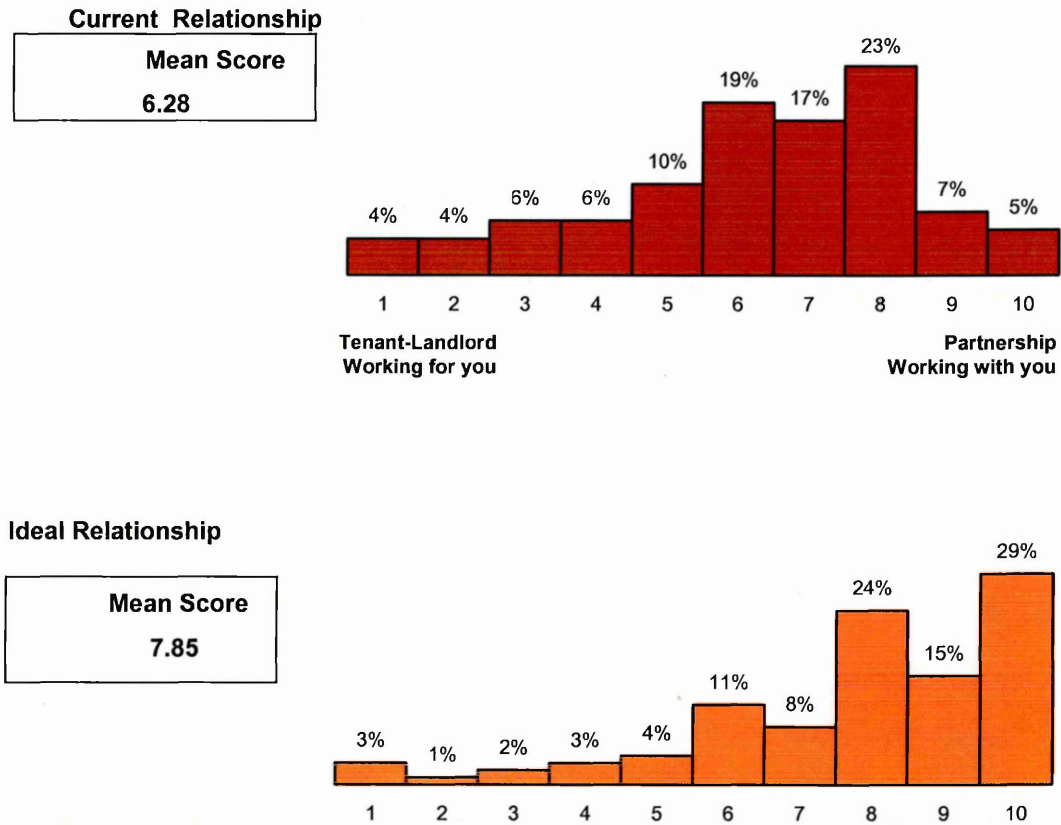
The current relationship is seen to lie close to the middle of the range. However, the ideal relationship is closer to the "Partnership" end of the scale. A third of customers are content with their current relationship.

Customers in the City area rate their ideal relationship to be 7.95 compared to 7.77 for customers in the Regional areas. Views of their current relationship status are comparable (rated 6.35 and 6.22 respectively).

2.4   Customer Perceptions

Respondents were presented with a battery of 23 words or phrases on a continuum of positive to negative; and they selected those which best described their experience and perceptions of Bruntwood. Figure 10.9 sets out the words selected most often : those in bold are Bruntwood brand values.

FIGURE F-10.9 : PERCEPTION OF BRUNTWOOD (Base : All) Main responses >10%

A majority (over 50%) of Bruntwood's customers perceive the company as approachable, efficient, reliable and customer focussed. However, of the three main corporate values listed within the group of words (i.e Customer-focussed, Flexible and High Quality Products) two are ranked by less than 30% of the customers as descriptive of their perception of the company and its staff.

170
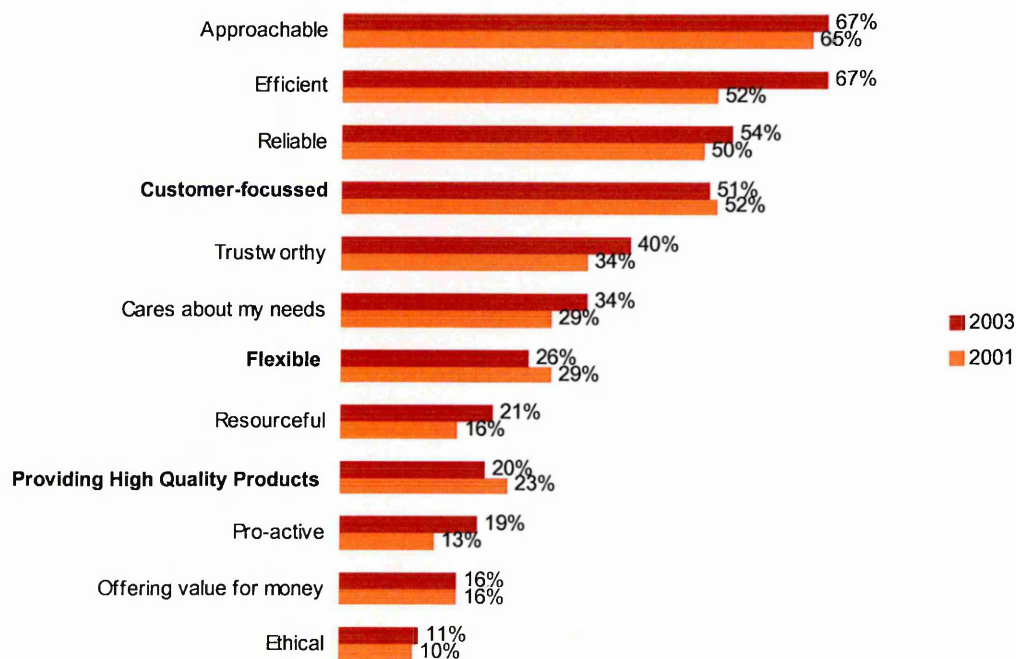
2.5   Advocacy

The vast majority of customers (95%) would be happy to recommend Bruntwood to business colleagues : indeed, almost a third (32%) have so done.

FIGURE F-10.10 : RECOMMENDED BRUNTWOOD? (Base : All answering)
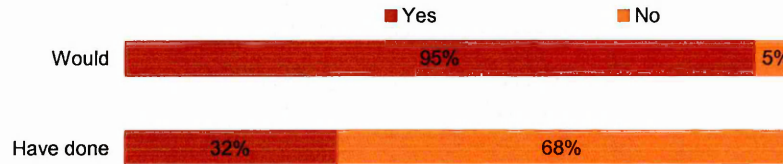
In addition to looking at the simple answers given, responses have been grouped as follows to show the overall relationship:

	Have recommended	**Would recommend**
Advocate	Yes	Yes
Lost supporter	Yes	No
Potential supporter	No	Yes
Rejector	No	No

FIGURE F-10.11 : ADVOCACY OF BRUNTWOOD Base : All answering
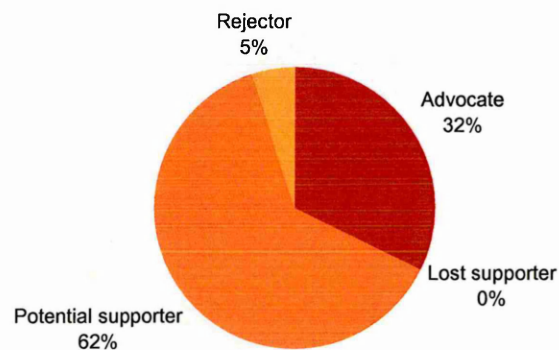
6.8.3 Section Summary

In this section, the research objective was to explore the customer capital of Bruntwood, establish the (current and immediate past) pattern of growth and subsequently consider if this is related to the Management practices deployed by company.

In addition to basic demographics that reveal that majority of Bruntwood's customers could be considered as Small Enterprises[i] with employees of less than 27, this study established that communications between them and the Head-office is frequent with 66% making contacts within a year (mostly regarding financial or rent related matters). However, not only do most (81%) of the company's customers find communications with the head-office easy, they also find their queries efficiently dealt with (this proportion represents an increase of 3% over the 2001 survey).

Most of the company's customers (61-83%) are satisfied with the performance of Bruntwood's products and services with the exception of in-suite comfort where Bruntwood had only 49% of customers satisfied. The on-site Customer Service Team are not only highly rated (scoring above 4 on a scale of 5), they made significant improvements in how they are perceived by customers between 2001 to 2003.

Also, in comparison with the 2001 surveys the company's customers actually ranked Bruntwood less in 2003 with regards to the three core values out of a group of variables. Could this be related to the fact that customers see those epithets frequently and are more conscious or critical of the company's performance in this regard? Does the increasing publicity given to core values lead to higher levels of criticism by customers? However, on the whole the pattern of perception by customers between 2001 and 2003 surveys are remarkably similar – with improvements in all but three variables.

In terms of relationship with the customers, Bruntwood is ranked a mean score of 6.28 on a traditional landlord/partnership continuum scale of 1-10, which is close to their customers' ideal expectation of 7.85 mean score on same scale – hence even in the ideal scenario, customers do not expect optimal partnership of 10 on same scale

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[i] Small or Medium Sized Enterprises using EC definitions of Small businesses - upto 49 employees (including micro businesses of 5 employees or less) and Medium Businesses – 50 to 249 employees

The Advocacy parameter reveal that Bruntwood has not lost favour with their customers (Lost supporters), retains a third of them as Advocates and unable to convince only 5% who are Rejectors. The crucial task for the company would therefore be to convert the vast proportion (62%) who are potential Supporters to Advocates or at worst retain them in their present state.

Hence, this study confirms that the customer perception of Bruntwood's service and product performance is not only high based on ramified metrics but continues to increase in most areas; with the exception of a few corporate core values (which may have been judged more critically due to greater exposure). The only parameter that has not changed between 2001 and 2003 is customer's perception of getting value for money, here Bruntwood scored low marks with only 16% ranking them favourably.

Having confirmed the existence of a valuable customer capital in Bruntwood, is this influenced or determined by the company's KM initiatives and other management practices? Does the contemporary ICT systems contribute to the company's high score in communication by customers with head-office and efficiency of turnaround? How is data, information and knowledge sharing impacting on the significantly improved performance of the on-site customer service team?

Does the culture within the company influence the work ethics of the employees and how does this enable knowledge capture and utility? Indeed, how could the current state of KM practice be contributing to the low perception by customers of receiving little value for money? At the far end of issues to be explored further in this study, is the possibility that the high customer capital is symptomatic of the market sector and unconnected with the ongoing KM initiatives. When and how did the present customer-focussed policies of the company begin? Why did it emerge or what were the key drivers?

6.90   Stage II Survey Design

The stage II employee survey instrument was formulated to explore the intellectual capital - human, structural and customer assets - of Bruntwood; from the employee perspective. The core issues the instrument covers include the organisational culture, work practice, knowledge creation, knowledge sharing and knowledge capture (particularly tacit vs explicit knowledge), employee learning opportunities and dynamics of management practice on customer capital.

Designed with a Lotus Note software, it is made up of 42 questions in the soft version to head-office staff with access to Note-enabled computers. A replica with four additional questions was also designed with Microsoft word (document) and either faxed or attached to emails and sent to employees in buildings not connected to the head-office Lotus Note network.

Pilot testing of the Lotus version was carried out with five different employees from different professional backgrounds and modifications made to the instructions (with more details for clarity) and redrafting of reverse score questions (with a special notice in red lettering cautioning respondents about their presence). There are 14 (30%) reverse score items out of a total 46 questions. Due to the electronic nature of the questionnaires, which was designed to facilitate easy response through 'clicking' of computer mice on little 'option squares', this proportion of reverse questions were included and evenly scattered through the instrument to prevent the 'yea' syndrome through repetitive consideration of only positively drafted questions – the aim is to achieve a balanced and correct response (Friedman, 1988).

Based on a Likert scale model, the questions were ranked from 0-5 where 0 is not applicable, 1 is 'Strongly Disagree', 3 is 'Don't Know' and 5 is 'Strongly Agree'. Where it is a reverse score item, 1 would represent 'Strongly Agree and 5 would be 'Strongly Disagree'.

Distribution of questionnaires to all 179 employees of Bruntwood (the total as at July 2003) was done using the internal electronic communication network or faxed to those without direct p.c access. After a week, with a response rate of 41.90% (i.e 75 questionnaires) the Researcher resent the questionnaires with an additional entreaty to entice curiosity or encourage altruism, titled LET YOUR VOICE BE HEARD!" (see

Appendix II). At the end of two weeks, the survey was concluded with a secured response rate 61.45% valid questionnaires (representing 110).

6.9.1 Analyses of Stage II Survey

Test of Normality: In order to establish normality, the kurtosis, skewness and histogram of the data were plotted and they revealed skewed curves (albeit slight). Since histograms are insufficient determinants of whether a distribution is close enough to normality to be useful, a check was carried out by calculating the Kolmogorov-Smirnov tests and Shapiro-Wilk for a sample of eleven questions as shown in Table G-0.4

Fig G- 0.1: I understand the meaning of Bruntwood Way
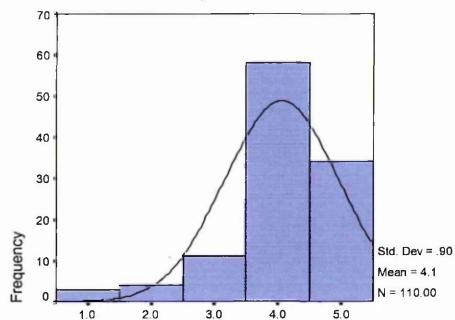
Fig G-0.2: Internal company decisions regarding employees are not guided by the coy ethos
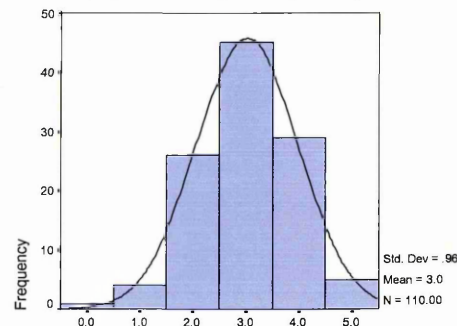
Fig G-0.3: My job does not enable me to network with others in the industry
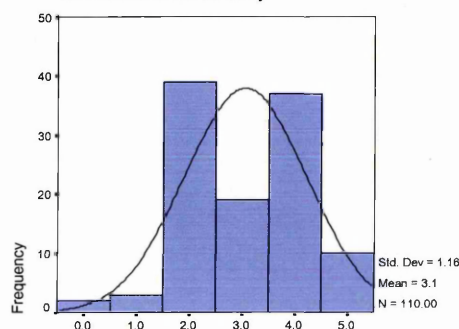
Both sets of Kolmogorov-Smirnov and Shapiro-Wilk scores reveal significant values of deviation from normality (i.e Sig< 0.05) and thus confirmed appropriate metrics to be mainly non-parametric.

This will include basic descriptive statistics, contingency tables or cross-tabs, splits case tests etc.

Fig G-0.4: **Tests of Normality**

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
I understand the meaning of Bruntwood Way	.312	110	.000	.778	110	.000
I find my job stimulating & satisfactory	.367	110	.000	.759	110	.000
Information I require is easy to trace in database	.319	110	.000	.838	110	.000
There is a lack of consistency in filing of information by different people	.340	110	.000	.726	110	.000
My computer network local/company shared makes my job efficient	.270	110	.000	.839	110	.000
The company's physical archiving method makes information retrieval easy	.307	110	.000	.847	110	.000
I am satisfied with CMS/ Lotus Notes	.245	110	.000	.867	110	.000
The BTRS or TRAMPS makes my job more efficient	.372	110	.000	.715	110	.000
I need more resources (equipment or facilities) to do my job well	.335	110	.000	.820	110	.000
Access to the internet has been beneficial to me	.281	110	.000	.835	110	.000
I receive a lot of information at work that is irrelevant to me	.277	110	.000	.857	110	.000

a. Lilliefors Significance Correction

(i) Preliminaries

Statistics

Dept

N	Valid	110
	Missing	0

Table G-1: **Dept**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Accts	6	5.5	5.5	5.5
	Asset Mgt	11	10.0	10.0	15.5
	Bld	7	6.4	6.4	21.8
	CSM/BBC	66	60.0	60.0	81.8
	HR	1	.9	.9	82.7
	Mktg	3	2.7	2.7	85.5
	Office Admin	5	4.5	4.5	90.0
	Sales	7	6.4	6.4	96.4
	Acq & Devpt/ Telecoms	4	3.6	3.6	100.0
	Total	110	100.0	100.0	
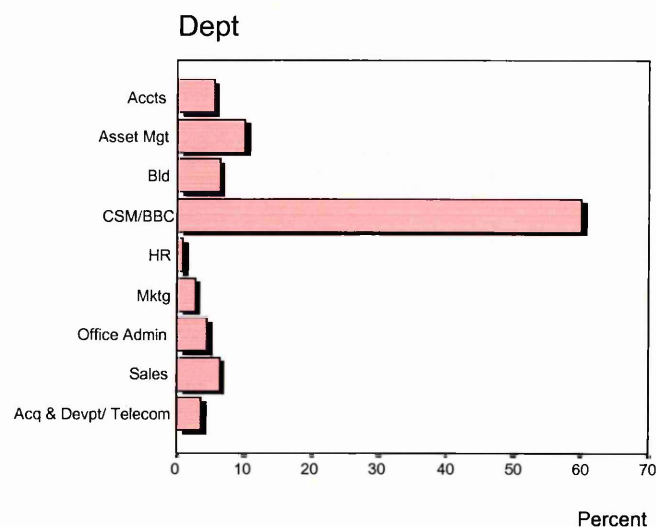
Dept

Fig G-1: **Dept Distribution**

Comment:

The survey had a response rate of 61.45% (despite those on summer holidays) - Lowest response was from HR and none from IT. Survey instrument was distributed & returned via emails to head-office staff, whilst business centres and out-building staff (hereafter referred to as Building Staff or none Headoffice employees) mostly faxed responses back (requiring more commitment from respondents). Two survey returns were invalid due to being illegible and missing classification details.

177

(ii)

Table G-2: **Base**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Head Office	49	44.5	44.5	44.5
	Buildings (Reg & City Centre)	61	55.5	55.5	100.0
	Total	110	100.0	100.0	
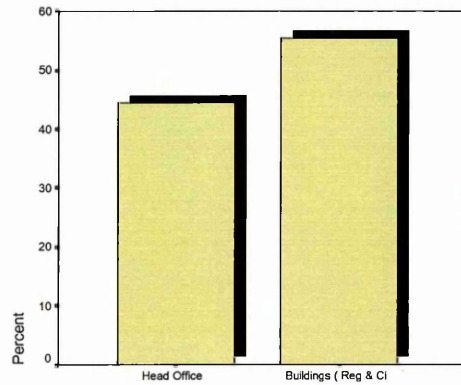
Fig G-2: Locational Distribution

Comment:

Buildings included employees from Bruntwood Business Centres (a subsidiary company of Bruntwood Estates Ltd) and the Customer Service Team in the City Centre and Regional Centres – who returned a majority response of 61% of the 110 respondents (mostly by fax).

(Q1) Main Questions

Statistics

Length of Service with Bruntwood

N	Valid	110
	Missing	0

Table G-3:   **Length of Service with Bruntwood**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Than 1 Yr	26	23.6	23.6	23.6
	1 yr plus, upto 2yrs	20	18.2	18.2	41.8
	2yrs plus, upto 3yrs	25	22.7	22.7	64.5
	3yrs plus, upto 4yrs	9	8.2	8.2	72.7
	4yrs plus, upto 5yrs	7	6.4	6.4	79.1
	Over 5yrs	23	20.9	20.9	100.0
	Total	110	100.0	100.0	

Fig G-3:   Length of Service with Bruntwood
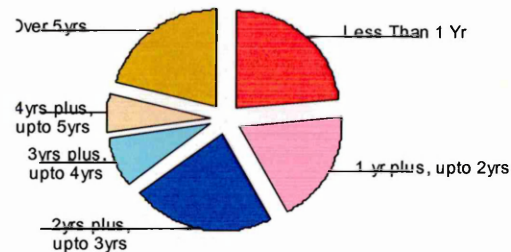
Comment:

Overall, 65% of the respondents have been with Bruntwood for less than 3 yrs. In comparison, 57.1% of Head office staff have been employed for less than 3yrs whilst non-Head office employees are 70.5%, also 26.5% of Head office staff are over 5 yrs employed whilst Buildings have 16.4%. This statistics reveal a significant difference which could be due to a higher level of attrition of none Head office employees or more recent employment of new customer service staff.

(Q2)

Table G-4:   **I understand the meaning of Bruntwood Way**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.7	2.7	2.7
	Disagree	4	3.6	3.6	6.4
	Don't Know	11	10.0	10.0	16.4
	Agree	58	52.7	52.7	69.1
	Strongly Agree	34	30.9	30.9	100.0
	Total	110	100.0	100.0	

Fig G-4:   I understand the meaning of Bruntwood Way
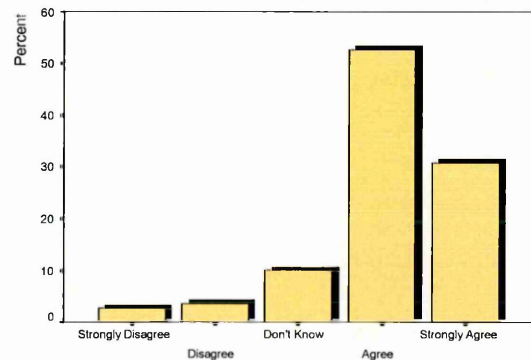
There is a remarkable similarity in the proportion of staff who confirmed that they understood the "Bruntwood Way" - 83.7% of Head Office and 83.6% of Building staff. This phrase represents the company's ethos and culture. The individual interpretation of this phrase and the dynamics of the organisational culture with individualistic mindsets was further explored at the interviews conducted.

Table G-5:   I understand the meaning of Bruntwood Way * Length of Service with Bruntwood Crosstabulation

			Length of Service with Bruntwood						Total
			Less Than 1 Yr	1 yr plus, upto 2yrs	2yrs plus, upto 3yrs	3yrs plus, upto 4yrs	4yrs plus, upto 5yrs	Over 5yrs	
I understand the meaning of Bruntwood Way	Strongly Disagree	Count	1	2					3
		% within Length of Service with Bruntwood	3.8%	10.0%					2.7%
	Disagree	Count	1	1		1		1	4
		% within Length of Service with Bruntwood	3.8%	5.0%		11.1%		4.3%	3.6%
	Don't Know	Count	5	1	4	1			11
		% within Length of Service with Bruntwood	19.2%	5.0%	16.0%	11.1%			10.0%
	Agree	Count	11	13	17	6	4	7	58
		% within Length of Service with Bruntwood	42.3%	65.0%	68.0%	66.7%	57.1%	30.4%	52.7%
	Strongly Agree	Count	8	3	4	1	3	15	34
		% within Length of Service with Bruntwood	30.8%	15.0%	16.0%	11.1%	42.9%	65.2%	30.9%
Total		Count	26	20	25	9	7	23	110
		% within Length of Service with Bruntwood	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Comment:

Employees' understanding of the Bruntwood Way appear to increase with length of service in Bruntwood. Hence from 27% of those less than 1 year who do not understand the Bruntwood Way, this gradually reduced to 16% after 2yrs and 4.3% after 5yrs (only exception was 3-4 yrs, which went upto 22% and this appear to be a transitional period between inertia and assimilation. The attrition rate of this period will be further investigated). However, does an increased understanding mean an increased cultural assimilation (where assimilation could be gauged by level of satisfaction)?

Based on the initial suspicion of correlation, a one-tailed correlation analysis was carried out that resulted in the matrix below (Table G-6). The Spearman rho's positive correlation coefficient of 0.281 with a significance value of .001 based on sample size (N) of 110 confirms there is a positive relationship. This relationship is significant because the sig. value of .001 is less than 0.01, hence it can be concluded that as length of service increases, the employee understanding of the Bruntwood Way increases (Field, 2000).

Table G-6: Nonparametric Correlations

			Length of Service with Bruntwood	I understand the meaning of Bruntwood Way
Spearman's rho	Length of Service with Bruntwood	Correlation Coefficient	1.000	.281**
		Sig. (1-tailed)	.	.001
		N	110	110
	I understand the meaning of Bruntwood Way	Correlation Coefficient	.281**	1.000
		Sig. (1-tailed)	.001	.
		N	110	110

**. Correlation is significant at the .01 level (1-tailed).

(Q3)

Table G-7:   **I find my job stimulating & satisfactory**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	2	1.8	1.8	1.8
	Disagree	14	12.7	12.7	14.5
	Don't Know	6	5.5	5.5	20.0
	Agree	65	59.1	59.1	79.1
	Strongly Agree	23	20.9	20.9	100.0
	Total	110	100.0	100.0	

Fig G-5:   I find my job stimulating & satisfactory
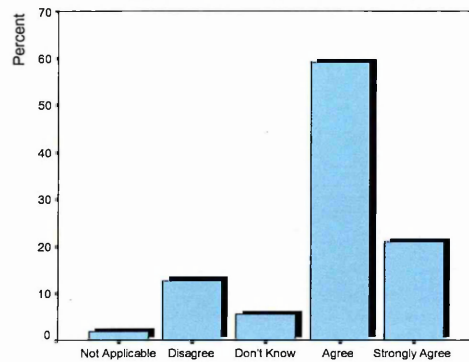
Table G-8:   I find my job stimulating & satisfactory * I understand the meaning of Bruntwood Way Crosstabulation

| | | | I understand the meaning of Bruntwood Way | | | | | |
			Strongly Disagree	Disagree	Don't Know	Agree	Strongly Agree	Total
I find my job stimulating & satisfactory	Not Applicable	Count				1	1	2
		% within I understand the meaning of Bruntwood Way				1.7%	2.9%	1.8%
	Disagree	Count	1	1	2	7	3	14
		% within I understand the meaning of Bruntwood Way	33.3%	25.0%	18.2%	12.1%	8.8%	12.7%
	Don't Know	Count		1	2	2	1	6
		% within I understand the meaning of Bruntwood Way		25.0%	18.2%	3.4%	2.9%	5.5%
	Agree	Count	1	2	5	44	13	65
		% within I understand the meaning of Bruntwood Way	33.3%	50.0%	45.5%	75.9%	38.2%	59.1%
	Strongly Agree	Count	1		2	4	16	23
		% within I understand the meaning of Bruntwood Way	33.3%		18.2%	6.9%	47.1%	20.9%
Total		Count	3	4	11	58	34	110
		% within I understand the meaning of Bruntwood Way	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Comment:

33 - 50% of respondents who do not understand the meaning of Bruntwood Way also do not find their job stimulating/satisfactory, whilst 83 – 85% of those who understand find their job stimulating / satisfactory.

Hence, having confirmed that there is a positive relationship between length of service and understanding of the Bruntwood Way, the next step would be to confirm the relationship between this understanding and job satisfaction.

Conducting a correlation analysis between this two variables based on a one-tailed test produced the matrix in table G-9. Spearman rho's coefficient is positive at 0.310 and the significant values of .000 less than 0.01 for 110 sample size confirms that as an understanding of Bruntwood Way increases, job satisfaction also increases.

By extension with previous analysis in Table G-6, the longer the years of service with Bruntwood the more the employee's job satisfaction (hence assimilation into the Bruntwood Way? Or could it be that the more the job satisfaction the more the employee stays and therefore understands the Bruntwood Way more?

However, establishing this positive relationship does not assume causality[i]. The impacts of this cultural paradigm on productivity and job satisfaction was further explored at the interviews.

Table G-9:   Nonparametric Correlations

			I understand the meaning of Bruntwood Way	I find my job stimulating & satisfactory
Spearman's rho	I understand the meaning of Bruntwood Way	Correlation Coefficient	1.000	.310**
		Sig. (1-tailed)	.	.000
		N	110	110
	I find my job stimulating & satisfactory	Correlation Coefficient	.310**	1.000
		Sig. (1-tailed)	.000	.
		N	110	110

**. Correlation is significant at the .01 level (1-tailed).

(Q4)

Statistics

Information I require is easy to trace in database

N	Valid	110
	Missing	0

---

[i] Due to the doctrine of *tertium quid* – where an unknown 3rd variable may be contributing to a bivariate analysis which has not been measured e.g conditions of service may be improving with length of service (Field, 2000).

Table G-10:   **Information I require is easy to trace in database**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	5	4.5	4.5	4.5
	Strongly Disagree	6	5.5	5.5	10.0
	Disagree	21	19.1	19.1	29.1
	Don't Know	11	10.0	10.0	39.1
	Agree	55	50.0	50.0	89.1
	Strongly Agree	12	10.9	10.9	100.0
	Total	110	100.0	100.0	

Fig G-6:   Information I require is easy to trace in database

Percent
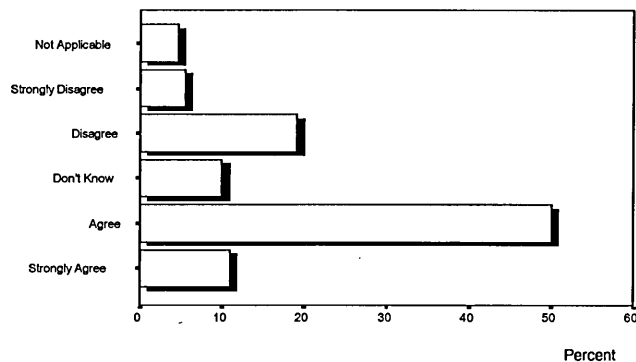
Comment:

36% of respondents do not find it easy to trace information required in the databases
(including those not sure but excluding 'not applicables'). Thus 64% of employees find
it easy tracing data they require within the database currently. Has this always been the
case? – explored further at interviews. It should be noted that even employees based
in buildings who do not have access to head-office network have their own local
databases organised on company policies.

(Q5)

Statistics

There is a lack of consistency in filing
of information by different people

N	Valid	110
	Missing	0

Table G-11:   **There is a lack of consistency in filing of information by different people**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	63	57.3	57.3	57.3
	Strongly Agree	12	10.9	10.9	68.2
	Agree	24	21.8	21.8	90.0
	Don't Know	2	1.8	1.8	91.8
	Disagree	9	8.2	8.2	100.0
	Total	110	100.0	100.0	

Fig G-7: There is a lack of consistency in filing information by different people

Std. Dev = 1.27
Mean = .9
N = 110.00
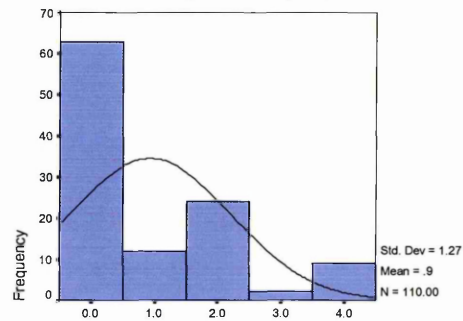
Comment:

Of those who make use of the databases 77% agree that there is lack of consistency in filing information by different people [(12+24) / (110-63)] – this excludes those who say this question is not applicable to them. This question was considered by many of the building staff as not applicable since different people do not file away information but the Customer Service Managers.

(Q6)

Statistics

My computer network local/company
shared makes my job efficient

N	Valid	110
	Missing	0

Table G-12: **My computer network local/company shared makes my job efficient**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	8	7.3	7.3	7.3
	Strongly Disagree	4	3.6	3.6	10.9
	Disagree	14	12.7	12.7	23.6
	Don't Know	24	21.8	21.8	45.5
	Agree	50	45.5	45.5	90.9
	Strongly Agree	10	9.1	9.1	100.0
	Total	110	100.0	100.0	

Fig G-8: My computer network local/company

shared makes my job efficient

Std. Dev = 1.31
Mean = 3.2
N = 110.00
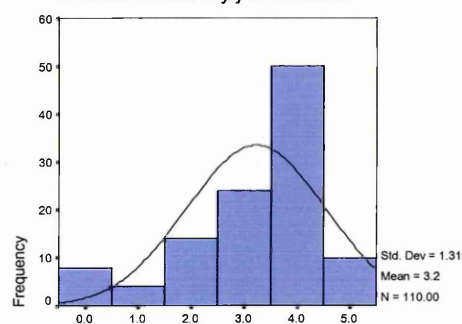
Comment:

Of respondents who make use of the company network or computers, 59% say the
network make their job more efficient

(Q7)

Statistics

The company's physical archiving
method makes information retrieval easy

N	Valid	110
	Missing	0

Table G-13: **The company's physical archiving method makes information retrieval easy**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	11	10.0	10.0	10.0
	Strongly Disagree	6	5.5	5.5	15.5
	Disagree	15	13.6	13.6	29.1
	Don't Know	54	49.1	49.1	78.2
	Agree	21	19.1	19.1	97.3
	Strongly Agree	3	2.7	2.7	100.0
	Total	110	100.0	100.0	

Fig G-9: The company's physical archiving method
makes information retrieval easy
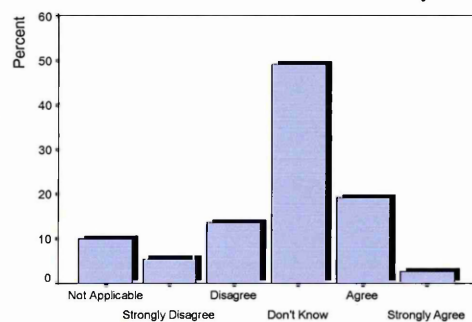
Comment:

Whilst most respondents (49.1%) are ambivalent on the impact of the company's
physical archiving method on information retrieval, the rest are nearly evenly divided
(19.1% compare with 21.8% in favour). This ambivalence was explained by staff at the
interviews to be based on rare utility of physical archives due to the existence of
network databases.

(Q8)

Table G-14:   I am satisfied with CMS/ Lotus Notes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	11	10.0	10.0	10.0
	Strongly Disagree	5	4.5	4.5	14.5
	Disagree	15	13.6	13.6	28.2
	Don't Know	37	33.6	33.6	61.8
	Agree	36	32.7	32.7	94.5
	Strongly Agree	6	5.5	5.5	100.0
	Total	110	100.0	100.0	

Fig G-10:   I am satisfied with CMS/ Lotus Notes
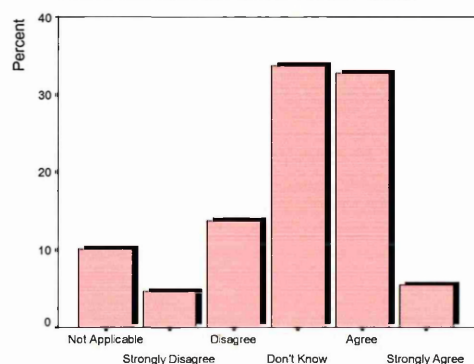
Table G-15:   I am satisfied with CMS/ Lotus Notes * Length of Service with Bruntwood Crosstabulation

			Length of Service with Bruntwood						Total
			Less Than 1 Yr	1 yr plus, upto 2yrs	2yrs plus, upto 3yrs	3yrs plus, upto 4yrs	4yrs plus, upto 5yrs	Over 5yrs	
I am satisfied with CMS/ Lotus Notes	Not Applicable	Count	2	1	3	3		2	11
		% within Length of Service with Bruntwood	7.7%	5.0%	12.0%	33.3%		8.7%	10.0%
	Strongly Disagree	Count		1				4	5
		% within Length of Service with Bruntwood		5.0%				17.4%	4.5%
	Disagree	Count	1	3	4	1	1	5	15
		% within Length of Service with Bruntwood	3.8%	15.0%	16.0%	11.1%	14.3%	21.7%	13.6%
	Don't Know	Count	13	12	8	1	2	1	37
		% within Length of Service with Bruntwood	50.0%	60.0%	32.0%	11.1%	28.6%	4.3%	33.6%
	Agree	Count	9	2	9	3	3	10	36
		% within Length of Service with Bruntwood	34.6%	10.0%	36.0%	33.3%	42.9%	43.5%	32.7%
	Strongly Agree	Count	1	1	1	1	1	1	6
		% within Length of Service with Bruntwood	3.8%	5.0%	4.0%	11.1%	14.3%	4.3%	5.5%
Total		Count	26	20	25	9	7	23	110
		% within Length of Service with Bruntwood	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Comment:

Of respondents who use CMS/Lotus Notes (excluding 'not applicable' set), 37% are undecided about their satisfaction (either due to lack of direct use of this system or genuine ambivalence) and 42% agree/strongly agree that they are satisfied. Interestingly, of those who are not satisfied, the highest (43%) come from employees over 5yrs, whilst the least (4%) come from those less than 1 year. Does this imply that longer service employees are more critical or less adjusted to the relatively new networks?

(Q9)

Statistics

The BTRS or TRAMPS makes my job more efficient

N	Valid	110
	Missing	0

Table G-16:   **The BTRS or TRAMPS makes my job more efficient**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	63	57.3	57.3	57.3
	Don't Know	16	14.5	14.5	71.8
	Agree	25	22.7	22.7	94.5
	Strongly Agree	6	5.5	5.5	100.0
	Total	110	100.0	100.0	

Fig G-10:   The BTRS or TRAMPS makes my job more efficient
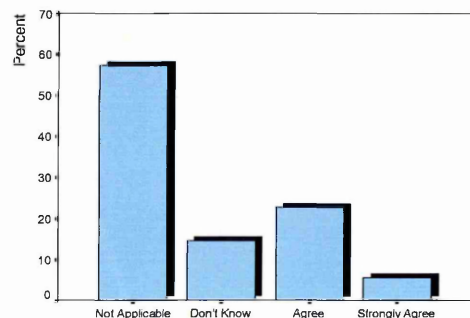
Comment:

This is the integrated property management and accounting software that generates reports on invoices, payments, latest best estimates that are inputted into the profit and loss accounts. 71.8% of employees do not either use this system or are ambivalent regarding its impact and 28.2% agree it makes their job more efficient – does this low usage justify the existence of this system?

(Q10)

Table G-17:   **I need more resources (equipment or facilities) to do my job well**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Disagree	6	5.5	5.5	6.4
	Disagree	58	52.7	52.7	59.1
	Don't Know	6	5.5	5.5	64.5
	Agree	30	27.3	27.3	91.8
	Strongly Agree	9	8.2	8.2	100.0
	Total	110	100.0	100.0	

Fig G-11:   I need more resources (equipment or facilities) to do my job well
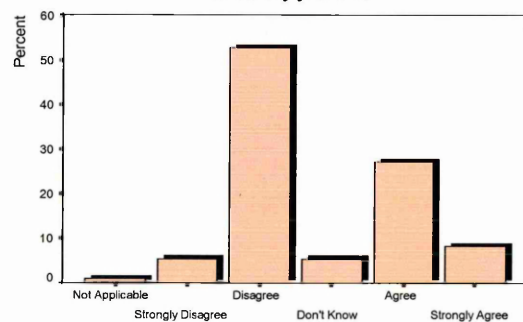
Comment:

Most of the respondents (58.2%) disagree /strongly disagree that they need more resources to do their jobs well and only 35.5% agree/strongly agree. Within the departments, the proportion of those who agree they need more resources are Building (71%), Sales (43%), CSM/BBC (41%) and Acq./Telecoms (25%) respectively (see Table G-18 below).

191

Table G-18:   Dept * I need more resources (equipment or facilities) to do my job well Crosstabulation

			I need more resources (equipment or facilities) to do my job well						
			Not Applicable	Strongly Disagree	Disagree	Don't Know	Agree	Strongly Agree	Total
Dept	Accts	Count			4	1	1		6
		% within Dept			66.7%	16.7%	16.7%		100.0%
	Asset Mgt	Count			9		2		11
		% within Dept			81.8%		18.2%		100.0%
	Bld	Count			2		4	1	7
		% within Dept			28.6%		57.1%	14.3%	100.0%
	CSM/BBC	Count	1	5	29	4	19	8	66
		% within Dept	1.5%	7.6%	43.9%	6.1%	28.8%	12.1%	100.0%
	HR	Count			1				1
		% within Dept			100.0%				100.0%
	Mktg	Count		1	2				3
		% within Dept		33.3%	66.7%				100.0%
	Office Admin	Count			5				5
		% within Dept			100.0%				100.0%
	Sales	Count			3	1	3		7
		% within Dept			42.9%	14.3%	42.9%		100.0%
	Acq & Devpt/ Telecoms	Count			3		1		4
		% within Dept			75.0%		25.0%		100.0%
Total		Count	1	6	58	6	30	9	110
		% within Dept	.9%	5.5%	52.7%	5.5%	27.3%	8.2%	100.0%

(Q11)

Statistics

Access to the internet has been beneficial to me

N	Valid	110
	Missing	0

Table G-19:   **Access to the internet has been beneficial to me**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	5	4.5	4.5	4.5
	Strongly Disagree	3	2.7	2.7	7.3
	Disagree	10	9.1	9.1	16.4
	Don't Know	24	21.8	21.8	38.2
	Agree	51	46.4	46.4	84.5
	Strongly Agree	17	15.5	15.5	100.0
	Total	110	100.0	100.0	

Comment:

61.9% of employees agree that access to the internet has been beneficial to them compared with 11.8% who disagree or 21.8% who are ambivalent.

Fia G-12:   Access to the internet has been beneficial to me
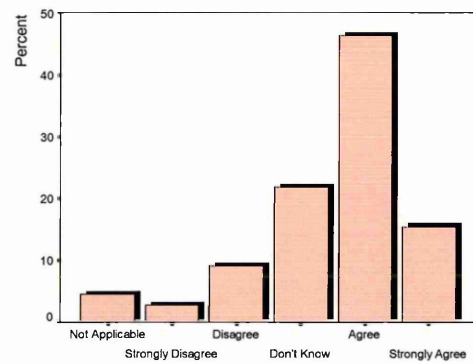
(Q12)

Statistics

I receive a lot of information at work that is irrelevant to me

N	Valid	110
	Missing	0

Table G-20·   **I receive a lot of information at work that is irrelevant to me**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Agree	9	8.2	8.2	9.1
	Agree	38	34.5	34.5	43.6
	Don't Know	9	8.2	8.2	51.8
	Disagree	46	41.8	41.8	93.6
	Strongly Disagree	7	6.4	6.4	100.0
	Total	110	100.0	100.0	

Fig G-13:   receive a lot of information at work that is irrelevant to me
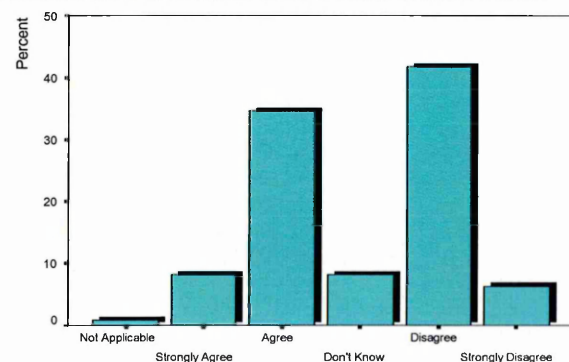
Comment:

42.7% agreed that they receive a lot of information that is irrelvant to them at work but less than those who disagreed (48.2%) – however this is still a significant number.

193

(Q13)

Statistics

I understand the need for monitoring
mails on the company network

N	Valid	110
	Missing	0

Table G-21·   **I understand the need for monitoring mails on the company network**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	2	1.8	1.8	1.8
	Disagree	6	5.5	5.5	7.3
	Don't Know	16	14.5	14.5	21.8
	Agree	66	60.0	60.0	81.8
	Strongly Agree	20	18.2	18.2	100.0
	Total	110	100.0	100.0	

Fln G-14·   ɪderstand the need for monitoring mails on the compaɪ
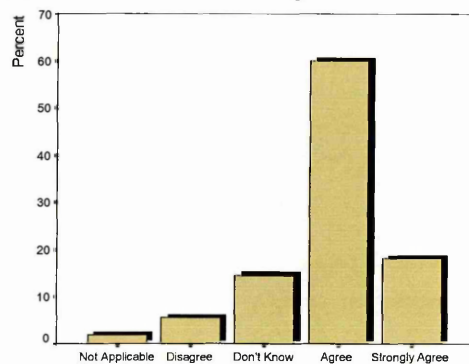
This question refers to the role of IT department in monitoring emails in the office with the use of special filtering software knows as mailsweeper. Most (78.2 %) of the employees clearly understand the need for this function, but do they also agree with how it is carried out? This is probed in the next question.

194

(Q14)

Statistics

I agree with the method of monitoring
internet access or mails at work

N	Valid	110
	Missing	0

Table G-22:   **I agree with the method of monitoring internet access or mails at work**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	3	2.7	2.7	2.7
	Strongly Disagree	4	3.6	3.6	6.4
	Disagree	19	17.3	17.3	23.6
	Don't Know	21	19.1	19.1	42.7
	Agree	51	46.4	46.4	89.1
	Strongly Agree	12	10.9	10.9	100.0
	Total	110	100.0	100.0	

Fig G-15:

I agree with the method of monitoring internet access or mails at work
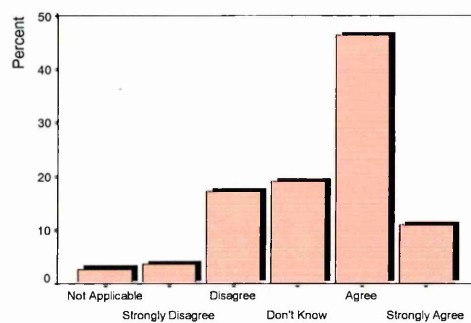
With only 57.3% agreeing with the method of monitoring internet access or emails at work and a significant 20.9% actually disagreeing, there is a clear variance about understanding the need to monitor access/ emails (Q.13) and agreeing how it is being done. It appears there is a resentment by employees of the method of policing of their correspondence or perhaps it is seen as an infringement on their personal liberty.

(Q15)

Statistics

My office (or physical) environment
contributes to my working efficiently

N	Valid	110
	Missing	0

Table G-23· **My office (or physical) environment contributes to my working efficiently**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Disagree	9	8.2	8.2	9.1
	Disagree	23	20.9	20.9	30.0
	Don't Know	11	10.0	10.0	40.0
	Agree	49	44.5	44.5	84.5
	Strongly Agree	17	15.5	15.5	100.0
	Total	110	100.0	100.0	

Fig G-16·

My office (or physical) environment
contributes to my working efficientl
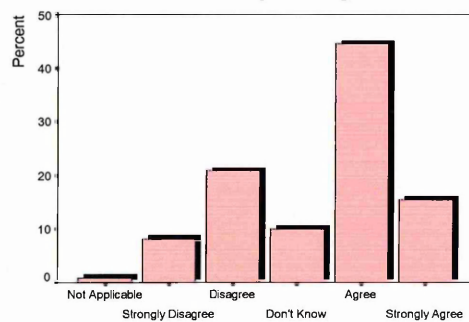
Comment:

Overall 60% of employees confirm their physical environment contributes to their working efficiently compared with 29.1% who do not. However, when cross-related in terms of location (see Table G-24 below), 73.4% of head-office staff agree compared with only 49.1% of buildings staff. Whereas, whilst only 22.4% of head-office staff disagree, 34.5% of buildings staff disagree and another 14.8% are ambivalent. This therefore supports a notion that head-office staff find their physical environment more contributory to productivity than building staff (another evidence of the headoffice Vs Buildings divide – explored further at the interviews)

Table G-24: Base * My office (or physical) environment contributes to my working efficiently Crosstabulation

			My office (or physical) environment contributes to my working efficiently						
			Not Applicable	Strongly Disagree	Disagree	Don't Know	Agree	Strongly Agree	Total
Base	Head Office	Count		1	10	2	25	11	49
		% within Base		2.0%	20.4%	4.1%	51.0%	22.4%	100.0%
		% within My office (or physical) environment contributes to my working efficiently		11.1%	43.5%	18.2%	51.0%	64.7%	44.5%
		% of Total		.9%	9.1%	1.8%	22.7%	10.0%	44.5%
	Buildings (Reg & City Centre)	Count	1	8	13	9	24	6	61
		% within Base	1.6%	13.1%	21.3%	14.8%	39.3%	9.8%	100.0%
		% within My office (or physical) environment contributes to my working efficiently	100.0%	88.9%	56.5%	81.8%	49.0%	35.3%	55.5%
		% of Total	.9%	7.3%	11.8%	8.2%	21.8%	5.5%	55.5%
Total		Count	1	9	23	11	49	17	110
		% within Base	.9%	8.2%	20.9%	10.0%	44.5%	15.5%	100.0%
		% within My office (or physical) environment contributes to my working efficiently	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	.9%	8.2%	20.9%	10.0%	44.5%	15.5%	100.0%

(Q16)

Statistics

I feel valued by the rest of my team or colleagues

N	Valid	110
	Missing	0

Table G-24·   **I feel valued by the rest of my team or colleagues**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	7.3	7.3	7.3
	Don't Know	9	8.2	8.2	15.5
	Agree	71	64.5	64.5	80.0
	Strongly Agree	22	20.0	20.0	100.0
	Total	110	100.0	100.0	

Fig G-17:

I feel valued by the rest of my team or colleagues
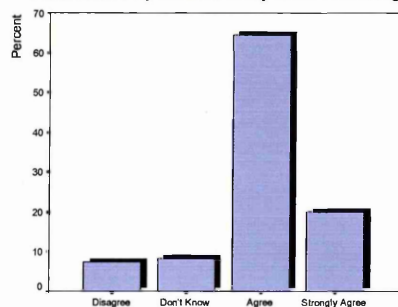
Comment:

74.5% of employees remarkably feel valued by their colleagues.

(Q17)

Statistics

Keeping information or knowledge to
myself make me valuable to my colleagues

N	Valid	110
	Missing	0

Table G-25:   **Keeping information or knowledge to myself make me valuable to my colleagues**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Agree	2	1.8	1.8	2.7
	Agree	6	5.5	5.5	8.2
	Don't Know	8	7.3	7.3	15.5
	Disagree	49	44.5	44.5	60.0
	Strongly Disagree	44	40.0	40.0	100.0
	Total	110	100.0	100.0	

Fig G-18:   Keeping information or knowledge to myself
                 make me valuable to my collea
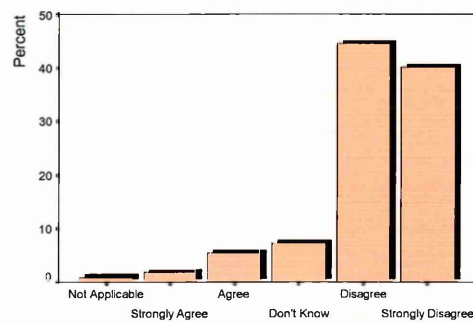
Comments:

One the fundamental requirements of knowledge sharing is the willingness of employees to share their tacit and explicit knowledge (Sheehan, 2000). Hence, it is noteworthy also that in Bruntwood 84.5% of the surveyed employees agree that there is no merit in hoarding information or knowledge.

(Q18)

Statistics

My colleagues share all necessary information with me

N	Valid	110
	Missing	0

Table G-26·   **My colleagues share all necessary information with me**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	5.5	5.5	5.5
	Disagree	27	24.5	24.5	30.0
	Don't Know	10	9.1	9.1	39.1
	Agree	56	50.9	50.9	90.0
	Strongly Agree	11	10.0	10.0	100.0
	Total	110	100.0	100.0	

Fig G-19:   My colleagues share all necessary information with me
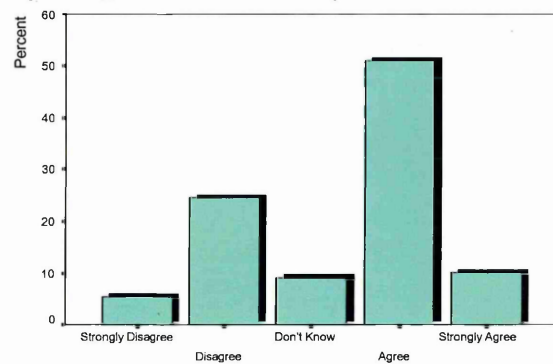
(Q19)

Statistics

Management ought to give me more responsibilities

N	Valid	110
	Missing	0

Table G-27·   **Management ought to give me more responsibilities**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	21	19.1	19.1	19.1
	Don't Know	28	25.5	25.5	44.5
	Agree	50	45.5	45.5	90.0
	Strongly Agree	11	10.0	10.0	100.0
	Total	110	100.0	100.0	

199

Fig G-20:   Management ought to give me more responsibiliti
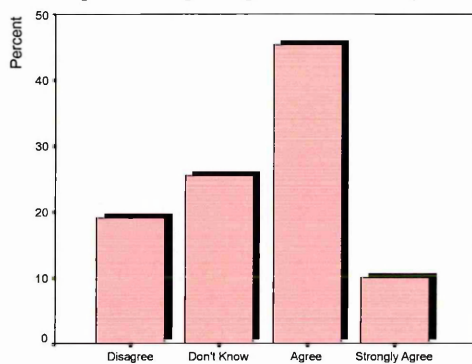
(Q20)

Statistics

My job does not enable me to
network with others in the industry

N	Valid	110
	Missing	0

Table G-28:   **My job does not enable me to network with others in the industry**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	2	1.8	1.8	1.8
	Strongly Agree	3	2.7	2.7	4.5
	Agree	39	35.5	35.5	40.0
	Don't Know	19	17.3	17.3	57.3
	Disagree	37	33.6	33.6	90.9
	Strongly Disagree	10	9.1	9.1	100.0
	Total	110	100.0	100.0	

Fig G-21:   My job does not enable me to network with
others in the industry

200
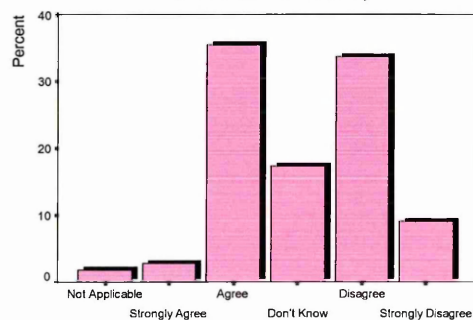
(Q21)

Statistics

I enjoy many opportunities to socialise
with my colleagues in Bruntwood

N	Valid	110
	Missing	0

Table G-29:   **I enjoy many opportunities to socialise with my colleagues in Bruntwood**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	3.6	3.6	3.6
	Disagree	15	13.6	13.6	17.3
	Don't Know	14	12.7	12.7	30.0
	Agree	61	55.5	55.5	85.5
	Strongly Agree	16	14.5	14.5	100.0
	Total	110	100.0	100.0	

Fig G-22:   I enjoy many opportunities to socialise with my colleagues in Bruntwood
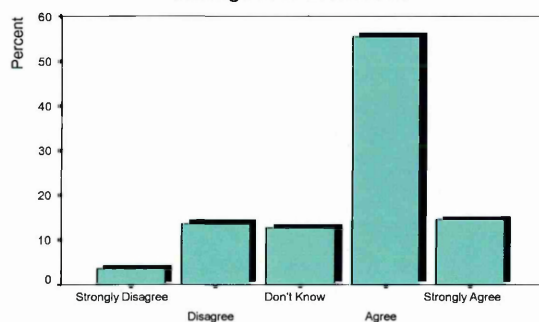
(Q22)

Statistics

There are not enough opportunities for
me to learn and grow in Bruntwood

N	Valid	110
	Missing	0

Comment:

Based on the near even proportion of employees (40% to 37.2%) confirming their opposite perception of potential learning and growth opportunities in Bruntwood, a further investigation was carried out through locational based cross-tabulation as seen in Table G-31 below.

201

Table G-30:   **There are not enough opportunities for me to learn and grow in Bruntwood**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	12	10.9	10.9	10.9
	Agree	32	29.1	29.1	40.0
	Don't Know	14	12.7	12.7	52.7
	Disagree	37	33.6	33.6	86.4
	Strongly Disagree	15	13.6	13.6	100.0
	Total	110	100.0	100.0	

Fig G-23:

There are not enough opportunities for me to learn and grow in Bruntwood
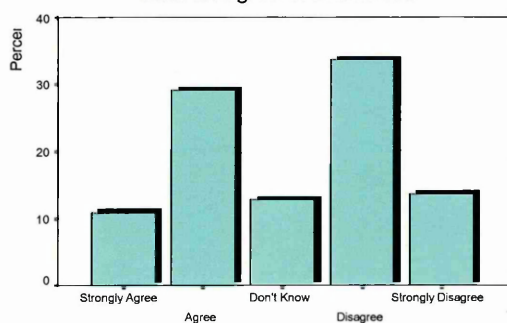
Table G-31: **Base * There are not enough opportunities for me to learn and grow in Bruntwood Crosstabulation**

			There are not enough opportunities for me to learn and grow in Bruntwood					Total
			Strongly Agree	Agree	Don't Know	Disagree	Strongly Disagree	
Base	Head Office	Count	2	4	6	27	10	49
		% within Base	4.1%	8.2%	12.2%	55.1%	20.4%	100.0%
		% within There are not enough opportunities for me to learn and grow in Bruntwood	16.7%	12.5%	42.9%	73.0%	66.7%	44.5%
		% of Total	1.8%	3.6%	5.5%	24.5%	9.1%	44.5%
	Buildings (Reg & City Centre)	Count	10	28	8	10	5	61
		% within Base	16.4%	45.9%	13.1%	16.4%	8.2%	100.0%
		% within There are not enough opportunities for me to learn and grow in Bruntwood	83.3%	87.5%	57.1%	27.0%	33.3%	55.5%
		% of Total	9.1%	25.5%	7.3%	9.1%	4.5%	55.5%
Total		Count	12	32	14	37	15	110
		% within Base	10.9%	29.1%	12.7%	33.6%	13.6%	100.0%
		% within There are not enough opportunities for me to learn and grow in Bruntwood	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	10.9%	29.1%	12.7%	33.6%	13.6%	100.0%

While only 12.3% of head-office staff agree, 21.9% none headoffice staff agree; also only 14.2% of buildings staff disagree compared with 75.5% of head-office staff – another evidence of the head-office vs. building divide explored further in the study.

(Q23)

Statistics

I have learnt a lot of new 'useful' skills in this company

N	Valid	110
	Missing	0

Table G-32   **I have learnt a lot of new 'useful' skills in this company**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.9	.9	.9
	Disagree	24	21.8	21.8	22.7
	Don't Know	6	5.5	5.5	28.2
	Agree	54	49.1	49.1	77.3
	Strongly Agree	25	22.7	22.7	100.0
	Total	110	100.0	100.0	

Fig G-24:   I have learnt a lot of new 'useful' skills in this comp
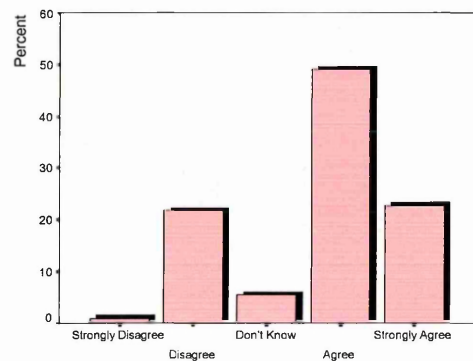
(Q24)

Statistics

My skills/know-how have not been effectively allocated or utilised by Management

N	Valid	110
	Missing	0

Table G-34:   **My skills/know-how have not been effectively allocated or utilised by Management**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	5	4.5	4.5	4.5
	Agree	43	39.1	39.1	43.6
	Don't Know	12	10.9	10.9	54.5
	Disagree	42	38.2	38.2	92.7
	Strongly Disagree	8	7.3	7.3	100.0
	Total	110	100.0	100.0	

Fig G-25:

My skills/know-how have not been effectively
allocated or utilised by Management
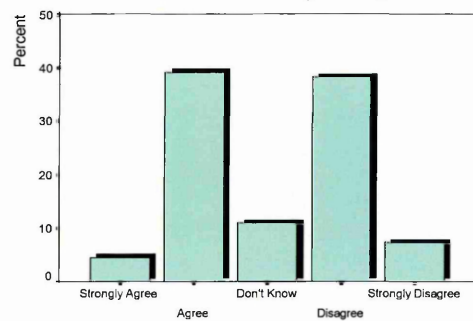
Comment:

There is another near even split between all employees on their perception of effective allocation of their skills by Management.

(Q25)

Statistics

I usually try to share with colleagues the tacit knowledge I have

N	Valid	110
	Missing	0

Table G-35:   **I usually try to share with colleagues the tacit knowledge I have**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	3.6	3.6	3.6
	Don't Know	3	2.7	2.7	6.4
	Agree	79	71.8	71.8	78.2
	Strongly Agree	24	21.8	21.8	100.0
	Total	110	100.0	100.0	

Fig G-26:

I usually try to share with colleagues
the tacit knowledge I have
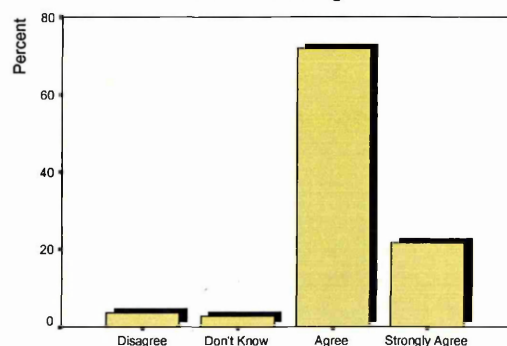
Comment:

This is one of the highest consensus by all employees and provides the basis to the company's KM initiative – the willingness of 93.6% of staff to share their tacit knowledge

(Q26)

Statistics

Internal company decisions regarding
employees are not guided by the company ethos

N	Valid	110
	Missing	0

Table G-36: **Internal company decisions regarding employees are not guided by the company ethos**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Agree	4	3.6	3.6	4.5
	Agree	26	23.6	23.6	28.2
	Don't Know	45	40.9	40.9	69.1
	Disagree	29	26.4	26.4	95.5
	Strongly Disagree	5	4.5	4.5	100.0
	Total	110	100.0	100.0	

Fig G-27:   Internal company decisions regarding
employees are not guided by the company etho:
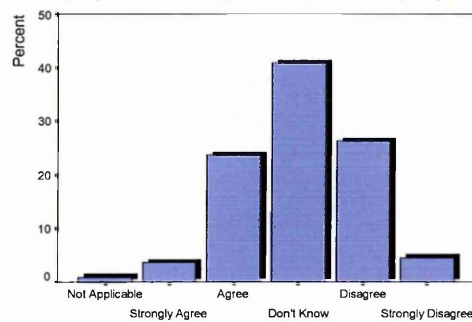
Comment:

A higher proportion (40.9%) of employees expressed their uncertainly regarding the link between the acclaimed company ethos and human relations decision making.

(Q27)

Statistics

Management tend to deal with different
employees with different standards

N	Valid	110
	Missing	0

Table G-37:   **Management tend to deal with different employees with different standards**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	22	20.0	20.0	20.0
	Agree	42	38.2	38.2	58.2
	Don't Know	21	19.1	19.1	77.3
	Disagree	19	17.3	17.3	94.5
	Strongly Disagree	6	5.5	5.5	100.0
	Total	110	100.0	100.0	

Fig G-28:   Management tend to deal with different employees with different standard
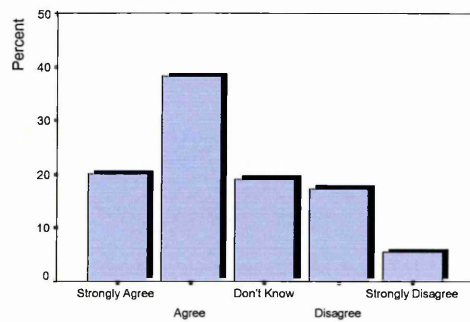
Comments:

As a further clarification of any ambiguous interpretation of Q27 above, a clear majority (58.2%) of employees confirm their opinion about lack of standardised approach to human relations by Management.

(Q28)

Statistics

The customer service focus of this company is appropriate

N	Valid	110
	Missing	0

Table G-38:   **The customer service focus of this company is appropriate**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.9	.9	.9
	Disagree	10	9.1	9.1	10.0
	Don't Know	8	7.3	7.3	17.3
	Agree	62	56.4	56.4	73.6
	Strongly Agree	29	26.4	26.4	100.0
	Total	110	100.0	100.0	

206

Fig G-29:

The customer service focus of this company is appro
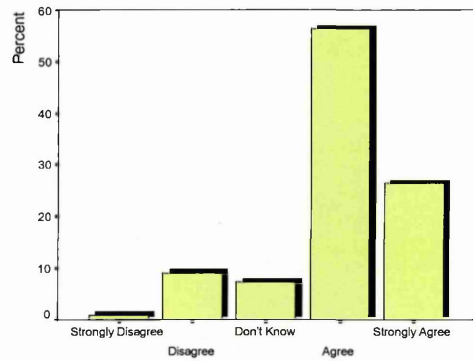
Comment:

Irrespective of any disagreement on internal human relations, 82.4% of all employees gave a clear endorsement here of the customer-focussed approach of Bruntwood service.

(Q29)

Table G-39:   **I am able to maintain work a balance in work and social life**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Disagree	2	1.8	1.8	2.7
	Disagree	11	10.0	10.0	12.7
	Don't Know	7	6.4	6.4	19.1
	Agree	68	61.8	61.8	80.9
	Strongly Agree	21	19.1	19.1	100.0
	Total	110	100.0	100.0	

Fig G-30:   I am able to maintain work a balance in work and soc
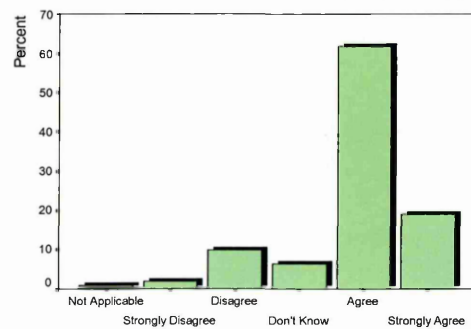
(Q30)

Statistics

Bruntwood has a clear vision and mission

N	Valid	110
	Missing	0

Table G-40:   **Bruntwood has a clear vision and mission**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Disagree	1	.9	.9	1.8
	Don't Know	10	9.1	9.1	10.9
	Agree	59	53.6	53.6	64.5
	Strongly Agree	39	35.5	35.5	100.0
	Total	110	100.0	100.0	

Fig G-31:   Bruntwood has a clear vision and mission
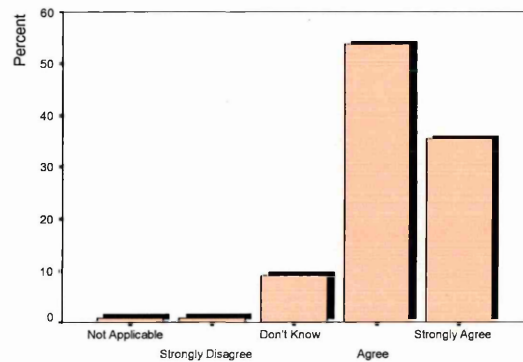
(Q31)

Statistics

My efforts are recognised and
adequately rewarded by Management

N	Valid	110
	Missing	0

208

Table G-41:   **My efforts are recognised and adequately rewarded by Management**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	9.1	9.1	9.1
	Disagree	21	19.1	19.1	28.2
	Don't Know	21	19.1	19.1	47.3
	Agree	52	47.3	47.3	94.5
	Strongly Agree	6	5.5	5.5	100.0
	Total	110	100.0	100.0	

Fig G-32:   My efforts are recognised and adequately rewarded by Management
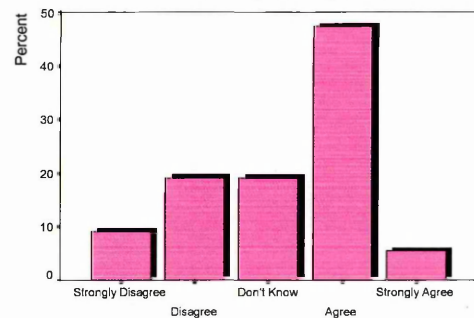
Table G-42: **Dept * My efforts are recognised and adequately rewarded by Management Crosstabulation**

			My efforts are recognised and adequately rewarded by Management					Total
			Strongly Disagree	Disagree	Don't Know	Agree	Strongly Agree	
Dept	Accts	Count			2	4		6
		% within Dept			33.3%	66.7%		100.0%
	Asset Mgt	Count		1	4	6		11
		% within Dept		9.1%	36.4%	54.5%		100.0%
	Bld	Count		2	2	3		7
		% within Dept		28.6%	28.6%	42.9%		100.0%
	CSM/BBC	Count	9	17	10	25	5	66
		% within Dept	13.6%	25.8%	15.2%	37.9%	7.6%	100.0%
	HR	Count				1		1
		% within Dept				100.0%		100.0%
	Mktg	Count				2	1	3
		% within Dept				66.7%	33.3%	100.0%
	Office Admin	Count	1	1		3		5
		% within Dept	20.0%	20.0%		60.0%		100.0%
	Sales	Count			2	5		7
		% within Dept			28.6%	71.4%		100.0%
	Acq & Devpt/ Telecoms	Count			1	3		4
		% within Dept			25.0%	75.0%		100.0%
Total		Count	10	21	21	52	6	110
		% within Dept	9.1%	19.1%	19.1%	47.3%	5.5%	100.0%

Comment:

Regarding employee perception of reward system and recognition of efforts by Management, majority (52.8%) were affirmative. On departmental, the highest disagree (and ambivalence) is from the CSM/BBC staff who are mostly not based at the headoffice, followed by the Building dept of 44.6%

However, when reanalysed on the basis of years of service, there is a repeating pattern earlier seen in Q.2 (see Table G-5) of high agreement of recently employed staff (65.4%) which gradually dips (with increasing ambivalence), reaching its lowest between 2-4 yrs on both counts and then sharply picking up again to reach a peak of 78.3% of employees of at least 5yrs agreeing that their efforts are adequately recognised and rewarded.

Table G-43: Length of Service with Bruntwood * My efforts are recognised and adequately rewarded by Management Crosstabulation

			My efforts are recognised and adequately rewarded by Management					Total
			Strongly Disagree	Disagree	Don't Know	Agree	Strongly Agree	
Length of Service with Bruntwood	Less Than 1 Yr	Count	2	4	3	15	2	26
		% within Length of Service with Bruntwood	7.7%	15.4%	11.5%	57.7%	7.7%	100.0%
	1 yr plus, upto 2yrs	Count	5	6	2	6	1	20
		% within Length of Service with Bruntwood	25.0%	30.0%	10.0%	30.0%	5.0%	100.0%
	2yrs plus, upto 3yrs	Count	1	8	8	8		25
		% within Length of Service with Bruntwood	4.0%	32.0%	32.0%	32.0%		100.0%
	3yrs plus, upto 4yrs	Count	1	1	3	4		9
		% within Length of Service with Bruntwood	11.1%	11.1%	33.3%	44.4%		100.0%
	4yrs plus, upto 5yrs	Count		1	2	3	1	7
		% within Length of Service with Bruntwood		14.3%	28.6%	42.9%	14.3%	100.0%
	Over 5yrs	Count	1	1	3	16	2	23
		% within Length of Service with Bruntwood	4.3%	4.3%	13.0%	69.6%	8.7%	100.0%
Total		Count	10	21	21	52	6	110
		% within Length of Service with Bruntwood	9.1%	19.1%	19.1%	47.3%	5.5%	100.0%

(Q32)

Statistics

The company policies regarding my job are clearly documented

N	Valid	110
	Missing	0

Table G-44:   **The company policies regarding my job are clearly documented**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	5.5	5.5	5.5
	Disagree	24	21.8	21.8	27.3
	Don't Know	20	18.2	18.2	45.5
	Agree	51	46.4	46.4	91.8
	Strongly Agree	9	8.2	8.2	100.0
	Total	110	100.0	100.0	

Fig G-33:

The company policies regarding my job are clearly documented
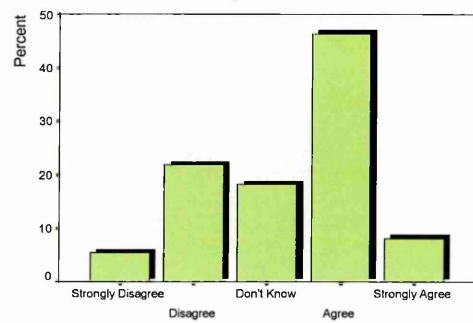
(Q33)

Statistics

The Bruntwood Way has made a
positive difference to how I work

N	Valid	110
	Missing	0

Table G-45:   **The Bruntwood Way has made a positive difference to how I work**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	2.7	2.7	2.7
	Disagree	18	16.4	16.4	19.1
	Don't Know	23	20.9	20.9	40.0
	Agree	54	49.1	49.1	89.1
	Strongly Agree	12	10.9	10.9	100.0
	Total	110	100.0	100.0	

Fig G-34:

The Bruntwood Way has made a positive difference to how I work
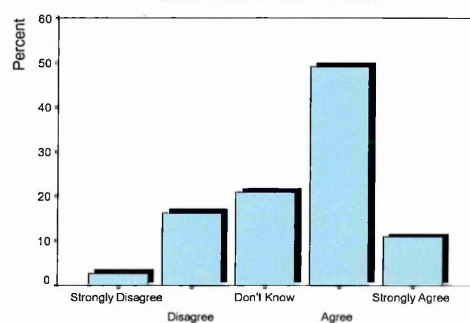
Comments:

Whilst 60% of all employees agree that the company ethos expressed as the Bruntwood Way has made a positive impact on their productivity, this is 23.6% less than those who confirmed their understanding of what it means in Q2.

(Q34)

Statistics

I believe the organisation culture in Bruntwood
has given it a competitive advantage

N	Valid	110
	Missing	0

Table G-46: **believe the organisation culture in Bruntwood has given it a competitive advantage**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Disagree	1	.9	.9	1.8
	Disagree	1	.9	.9	2.7
	Don't Know	24	21.8	21.8	24.5
	Agree	54	49.1	49.1	73.6
	Strongly Agree	29	26.4	26.4	100.0
	Total	110	100.0	100.0	

Fig G-35:
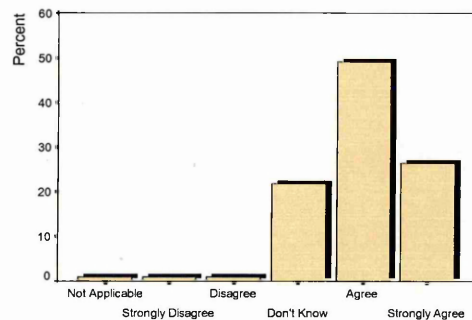
Comment:

75.1% employees (many of whom are professionals in what they do) confirm their belief that the organisation's culture has given it a competitive advantage in the market – which supports the out performance of industry benchmarks in earlier analysis (under Financial Capital section).

(Q35)

Statistics

I am not allowed to suggest new ways of doing my job

N	Valid	110
	Missing	0

Table G-47: **I am not allowed to suggest new ways of doing my job**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	2	1.8	1.8	1.8
	Strongly Agree	2	1.8	1.8	3.6
	Agree	8	7.3	7.3	10.9
	Don't Know	8	7.3	7.3	18.2
	Disagree	49	44.5	44.5	62.7
	Strongly Disagree	41	37.3	37.3	100.0
	Total	110	100.0	100.0	

Fig G-36:   I am not allowed to suggest new ways of doing my j
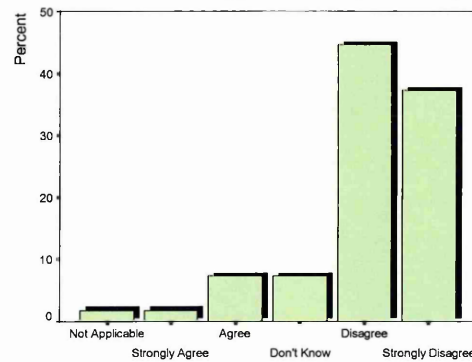
(Q36)

Statistics

I attend too many meeting and gain little from them

N	Valid	110
	Missing	0

Table G-48:   **I attend too many meeting and gain little from them**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Agree	6	5.5	5.5	6.4
	Agree	21	19.1	19.1	25.5
	Don't Know	12	10.9	10.9	36.4
	Disagree	62	56.4	56.4	92.7
	Strongly Disagree	8	7.3	7.3	100.0
	Total	110	100.0	100.0	

Fig G-37:   I attend too many meeting and gain little from the
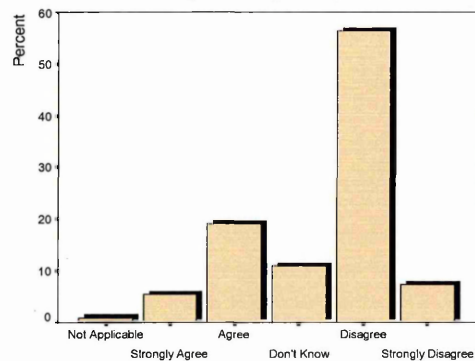
(Q37)

Statistics

Bruntwood should employ more experts to do
some of the jobs being done in-house now

N	Valid	110
	Missing	0

Table G-49:   **Bruntwood should employ more experts to do some of the jobs being done in-house now**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Agree	8	7.3	7.3	8.2
	Agree	35	31.8	31.8	40.0
	Don't Know	27	24.5	24.5	64.5
	Disagree	31	28.2	28.2	92.7
	Strongly Disagree	8	7.3	7.3	100.0
	Total	110	100.0	100.0	

Comments:

It is noteworthy that 39.1% of all employees believe that more tasks need to be outsourced in the company than the current practice.

Fig G-38:   Bruntwood should employ more experts to do
some of the jobs being done in-house now
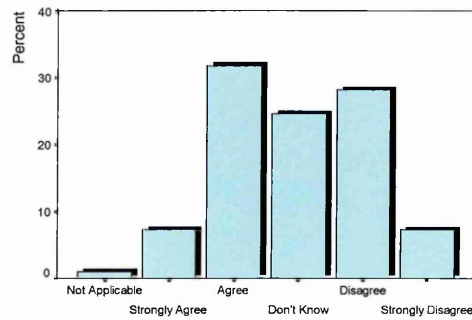
(Q38)

Statistics

I am satisfied with my team(s) structure(s)

N	Valid	110
	Missing	0

Table G-50:   **I am satisfied with my team(s) structure(s)**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	2	1.8	1.8	1.8
	Strongly Disagree	2	1.8	1.8	3.6
	Disagree	8	7.3	7.3	10.9
	Don't Know	5	4.5	4.5	15.5
	Agree	84	76.4	76.4	91.8
	Strongly Agree	9	8.2	8.2	100.0
	Total	110	100.0	100.0	

Fig G-39:   I am satisfied with my team(s) structure(s)
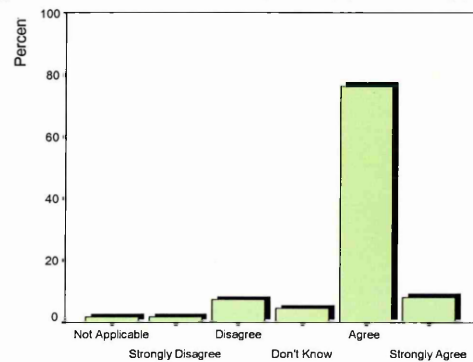
(Q39)

Statistics

Iam satisfied with the Organisational
structure/ hierarchy in Bruntwood

N	Valid	110
	Missing	0

Table G-51:   **Iam satisfied with the Organisational structure/ hierarchy in Bruntwood**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Disagree	3	2.7	2.7	3.6
	Disagree	16	14.5	14.5	18.2
	Don't Know	11	10.0	10.0	28.2
	Agree	69	62.7	62.7	90.9
	Strongly Agree	10	9.1	9.1	100.0
	Total	110	100.0	100.0	

Fig G-40:

Iam satisfied with the Organisational structure/
hierarchy in Bruntwood
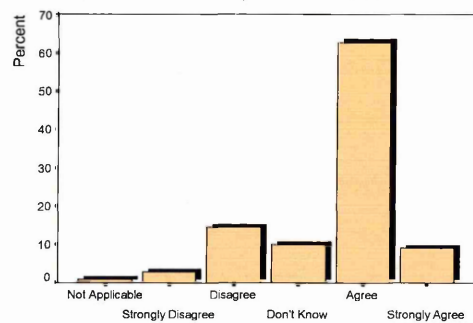
Q40)

Statistics

I find it easy communicating with colleagues
(not based/based at the head office)

N	Valid	110
	Missing	0

Table G-52:   **I find it easy communicating with colleagues (not based/based at the head office)**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	8	7.3	7.3	7.3
	Strongly Disagree	6	5.5	5.5	12.7
	Disagree	17	15.5	15.5	28.2
	Don't Know	9	8.2	8.2	36.4
	Agree	56	50.9	50.9	87.3
	Strongly Agree	14	12.7	12.7	100.0
	Total	110	100.0	100.0	

Fig G-41:   I find it easy communicating with colleagues

(not based/based at the head office)
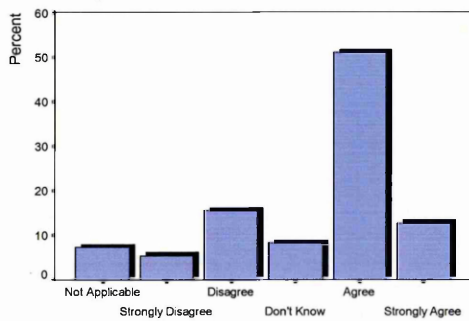
(Q41)

Statistics

I have suggested ideas in the past,
which are yet to be implemented

N	Valid	110
	Missing	0

Table G-53:   **I have suggested ideas in the past, which are yet to be implemented**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	7	6.4	6.4	6.4
	Strongly Agree	2	1.8	1.8	8.2
	Agree	36	32.7	32.7	40.9
	Don't Know	24	21.8	21.8	62.7
	Disagree	33	30.0	30.0	92.7
	Strongly Disagree	8	7.3	7.3	100.0
	Total	110	100.0	100.0	

Comment:

Notably 36.89% of all employees (excluding not applicable class) agree that they have suggested ideas in the past which are yet to be implemented.

Fig G-42:   ıve suggested ideas in the past, which are yet to be imı
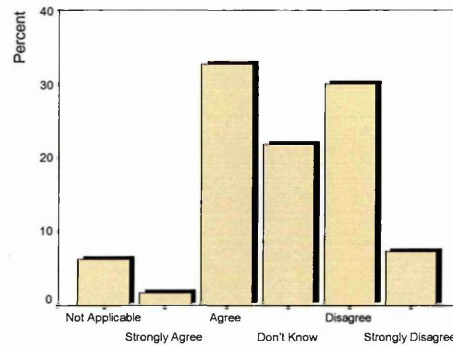
(Q42)

Statistics

I have ideas I will like to suggest for further exploration

N	Valid	110
	Missing	0

Table G-54:   **I have ideas I will like to suggest for further exploration**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	1	.9	.9	.9
	Strongly Disagree	4	3.6	3.6	4.5
	Disagree	20	18.2	18.2	22.7
	Don't Know	23	20.9	20.9	43.6
	Agree	61	55.5	55.5	99.1
	Strongly Agree	1	.9	.9	100.0
	Total	110	100.0	100.0	

Fig G-43:   I have ideas I will like to suggest for further explora
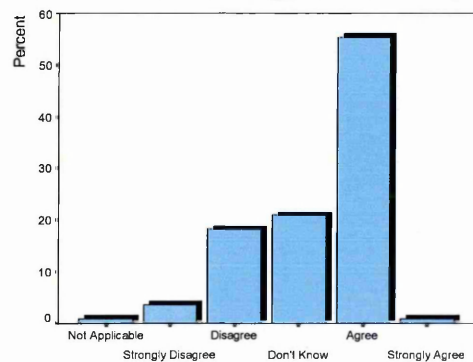
Comment:

Despite the response to Q.41 (where 36.8% who have suggested ideas in the past claim this has not been implemented) 56.88% of employees (excl not applicable group) are still willing to suggest ideas for further exploration.

218

(Q43)

Statistics

Information required for my job usually gets to me on time

N	Valid	110
	Missing	0

Table G-55:   **Information required for my job usually gets to me on time**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	56	50.9	50.9	50.9
	Strongly Disagree	4	3.6	3.6	54.5
	Disagree	13	11.8	11.8	66.4
	Don't Know	7	6.4	6.4	72.7
	Agree	28	25.5	25.5	98.2
	Strongly Agree	2	1.8	1.8	100.0
	Total	110	100.0	100.0	

Fig G-44:   Information required for my job usually gets to me on
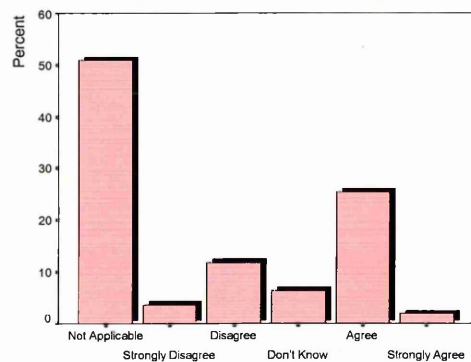
Comment:

This is one of the few questions (Q.43- 46) added to the main set sent to none head-office employees to assess the effectiveness of current information transfer procedures. 55.56% of employees (excluding 'not applicable group') confirmed that they do receive information they require for their job on time.

(Q44)

Statistics

I will be more respected if I work at the head office than now

N	Valid	110
	Missing	0

Table G-56: **I will be more respected if I work at the head office than now**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	57	51.8	51.8	51.8
	Strongly Agree	3	2.7	2.7	54.5
	Agree	14	12.7	12.7	67.3
	Don't Know	16	14.5	14.5	81.8
	Disagree	10	9.1	9.1	90.9
	Strongly Disagree	10	9.1	9.1	100.0
	Total	110	100.0	100.0	

Fig G-45:   I will be more respected if I work at the head office than now
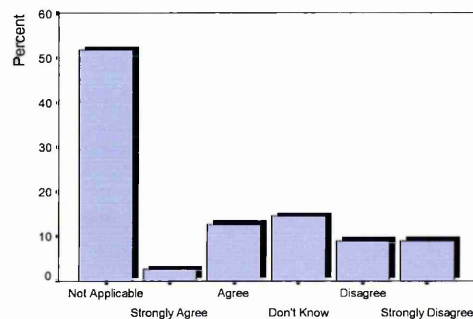
(Q45)

Statistics

My customers are satisfied with the Bruntwood approach to them

N	Valid	110
	Missing	0

Table G-57:   **My customers are satisfied with the Bruntwood approach to them**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	57	51.8	51.8	51.8
	Strongly Disagree	1	.9	.9	52.7
	Disagree	4	3.6	3.6	56.4
	Don't Know	7	6.4	6.4	62.7
	Agree	28	25.5	25.5	88.2
	Strongly Agree	13	11.8	11.8	100.0
	Total	110	100.0	100.0	

Fig G-46:   My customers are satisfied with the Bruntwood approach to them
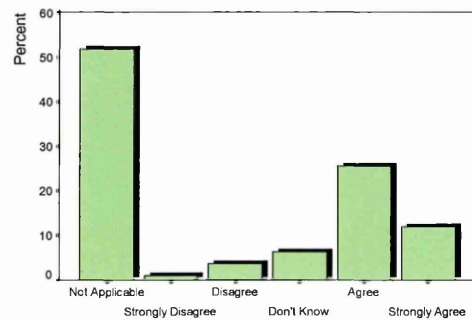
Comment:

77.36% of none headoffice employees confirm here that Bruntwood's customers are satisfied with the current Bruntwood approach to them – this was confirmed by customers in Fig F-10.7

(Q46)

Statistics

I do not like going to head office

N	Valid	110
	Missing	0

Table G-58:   **I do not like going to head office**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Applicable	58	52.7	52.7	52.7
	Strongly Agree	5	4.5	4.5	57.3
	Agree	6	5.5	5.5	62.7
	Don't Know	6	5.5	5.5	68.2
	Disagree	23	20.9	20.9	89.1
	Strongly Disagree	12	10.9	10.9	100.0
	Total	110	100.0	100.0	

Fig G-47:

I do not like going to head office
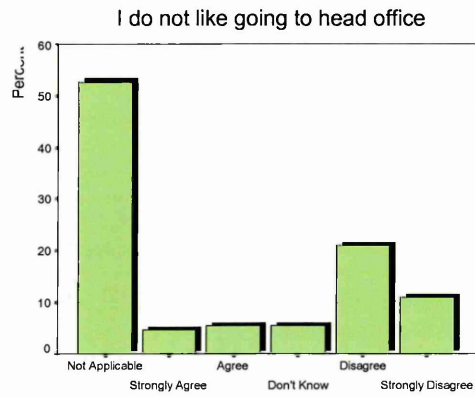
(Q47)

Statistics

Summative Feedback Required

N	Valid	110
	Missing	0

Table G-59:

Summative Feedback Required

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Filled	5	4.5	4.5	4.5
	Yes	96	87.3	87.3	91.8
	No	9	8.2	8.2	100.0
	Total	110	100.0	100.0	

Fig G-48:

Summative Feedback Required
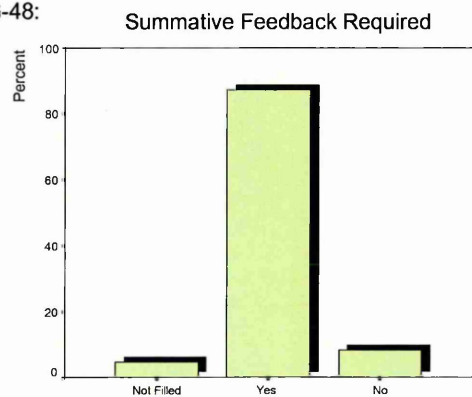
(Q48)

Statistics

Clarity Confirmed

N	Valid	110
	Missing	0

Table G-60:   **Clarity Confirmed**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Filled	17	15.5	15.5	15.5
	Yes	89	80.9	80.9	96.4
	No	4	3.6	3.6	100.0
	Total	110	100.0	100.0	

Fig G-49:

Clarity Confirmed
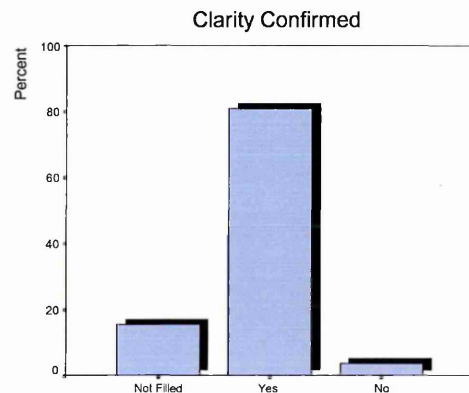
6.9.2 Reliability and Validity

Based on the fact that the survey was conducted electronically, the internal control for error and missing responses was quite high. The tests can be easily replicated and the internal consistency of the multiple -factor scale items was measured with Cronbach's alpha coefficients.

Hence based on a model of internal consistency that calculates the average inter-item correlation (i.e average split-halfs reliability coefficients),   the Cronbach's alpha for 45 questions from 110 respondents was 0.7908.

According to Bryman (2003) a computed alpha coefficient will vary between 1 and 0 and the figure 0.8 is typically employed as a rule of thumb to denote an acceptable level of internal reliability. On this basis, the 45 key questions with multiple-scale answers are internally consistent and acceptably reliable.

Validity in this study can be measured ecologically by the high proportion (87.3%) of respondents who requested to know the outcome of the survey. This proves that the subject of the survey was not only relevant to them but they recognise that it could capture a measure of general attitude, values, conditions and opinions. Over 80% confirmed that they consider the instrument clear and unambiguous. Face validity can be confirmed by the numerous variables which are based on core KM concepts of determining knowledge creation and sharing. The twin concepts of KM and ICM were utilised to design the questions in order to explore the opinion of employees on organisational culture, customer capital, ICT and human relations.

Additional numerical measures (such as factor analysis) were ditched by this researcher as unrepresentative[i] of the core phenomenological issues that this study deals with and substituted with a triangulation of methods where 22 employees were were engaged in in-depth discourse in order to determine the interrelationship of KM factors impacting on corporate objectives in Bruntwood .

6.9.3 Summary of Stage II Survey Analyses

There were a total of 110 valid respondents to the survey which was conducted within two weeks in mid - 2003, this represented 61% of the total 179 employees in Bruntwood at that time. Not only is this a good response rate, it is better than expected rates of mail questionnaires (Moser, 1985) and certainly fast. 65% of the employees have been with Bruntwood for less than 3 yrs. The least group being those with 3-5 yrs service.

There is a distinct organisational culture in Bruntwood based on ethos embedded within a well publicised phrase called 'the Bruntwood Way'. Majority of the staff (83%) claim they understand what this phrase mean. The impact of this organisational culture on individual mindsets was later explored at the interview stage. However, there is evidence that suggests a positive correlation between an understanding of this corporate culture, job satisfaction and length of service.

There is a headoffice versus other building staff divide that manifested itself in a number of statistics (length of service, contribution of physical work place to

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[i] see Bradley & Schaefer, 1998 on limitations of measurement

productivity, learning and growth opportunities etc) and this theme was explored further at the interviews.

The contemporary ICT network and databases were confirmed to be an aid to most employees working more efficiently by being able to trace data required more easily. However, most of the employees criticised the system as one where information is filed inconsistently by different people. In spite of this most employees expressed their satisfaction with the tools they have with only those over 5yrs in length of service being most critical of CMS. A majority of employees either do not use or are ambivalent to the BTRS.

Access to the internet was also confirmed as beneficial by a clear majority of employees (65%), though 43% agree that they receive information that are irrelevant to them at work.

Regarding KM, 85% of respondents disagree that keeping information to themselves make them more valuable to colleagues, and 94% said they try to share their tacit knowledge with colleagues, though 31% still said their colleagues do not share all necessary information with them.

Also, whilst 44% said their knowledge is not being effectively utilised by Bruntwood, 56% said they ought to be given more responsibilities. Though 37% said they have suggested ideas in the past, which were not implemented, 57% currently have ideas they will like to suggest for further exploration.

Whilst most employees consider the team formation and organisational structure in Bruntwood as satisfactory, there was support for outsourcing more functions by 39.1% of the employees.

Many employees were critical of Management's human relations policy and decision making being at variance with the corporate ethos and not standardised with regards to all staff. Also another third of employees disagree on being adequately rewarded or receiving due recognition for their efforts.

The positive contribution of physical work place to productivity was confirmed by a majority of Bruntwood employees and knowledge exchange is facilitated through social interaction, meetings and provision of a modern ICT. However over

a third of the employees say their job does not enable them to network with others in the industry but a majority are able to maintain a work-life balance.

The customer focussed policy of the company was supported by most employees who not only considered it appropriate, but also confirmed that their customers are satisfied by this approach to them and that it has given Bruntwood a competitive advantage in the market. Most employees are clear about the corporate vision and mission.

Hence, having established the general opinion of employees on a broad number of issues, there is a need to explore the interplay between the company's human capital, organisational capital and customer capital. Is the existing cultural orientation an accident or design? How does the culture interact with individual mindsets? What level of conformity with group norm exist and is deviance tolerated? How is the management of these resources related to the financial capital, staff & customer attraction or satisfaction?
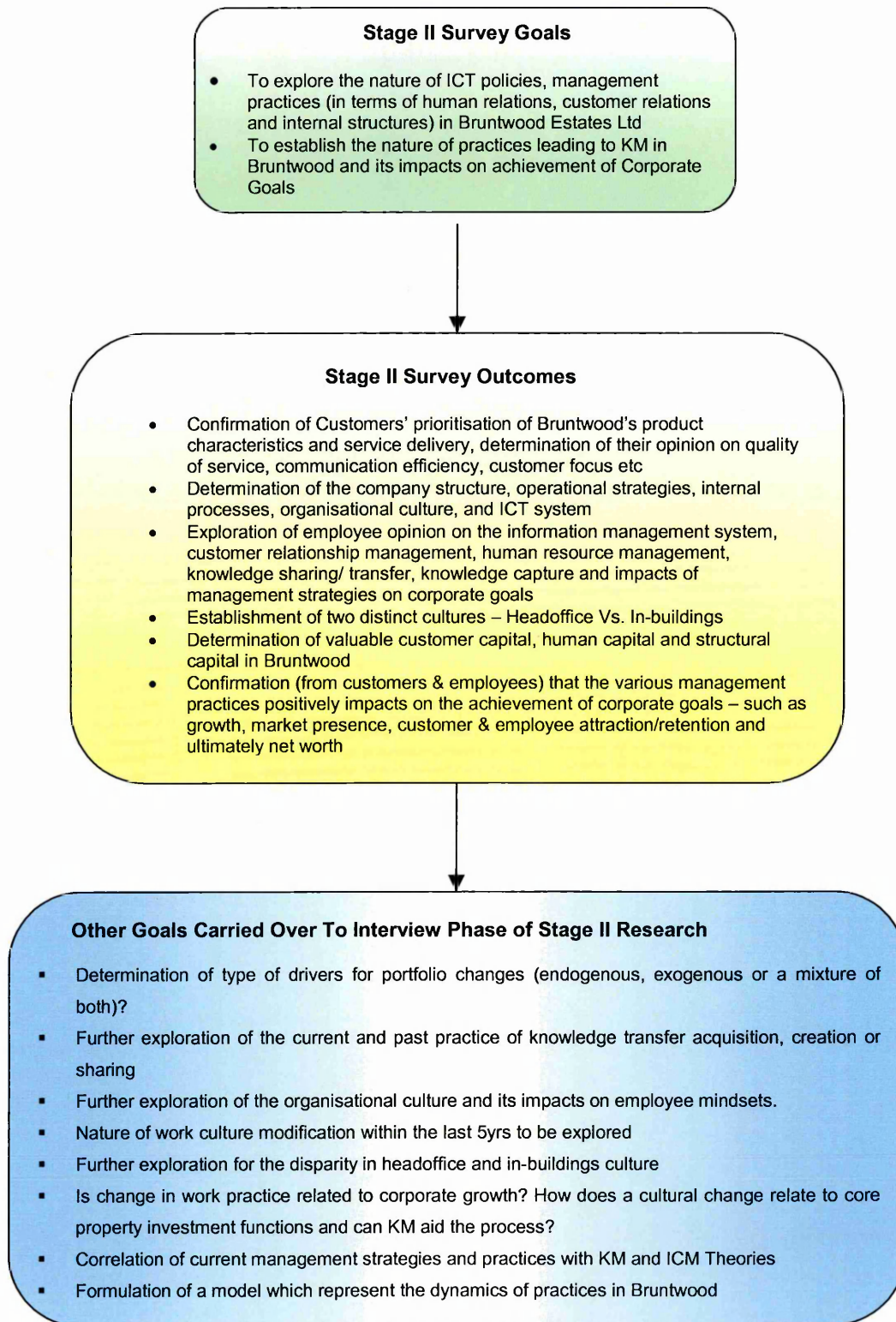
Stage II Survey Goals

- To explore the nature of ICT policies, management practices (in terms of human relations, customer relations and internal structures) in Bruntwood Estates Ltd
- To establish the nature of practices leading to KM in Bruntwood and its impacts on achievement of Corporate Goals

Stage II Survey Outcomes

- Confirmation of Customers' prioritisation of Bruntwood's product characteristics and service delivery, determination of their opinion on quality of service, communication efficiency, customer focus etc
- Determination of the company structure, operational strategies, internal processes, organisational culture, and ICT system
- Exploration of employee opinion on the information management system, customer relationship management, human resource management, knowledge sharing/ transfer, knowledge capture and impacts of management strategies on corporate goals
- Establishment of two distinct cultures – Headoffice Vs. In-buildings
- Determination of valuable customer capital, human capital and structural capital in Bruntwood
- Confirmation (from customers & employees) that the various management practices positively impacts on the achievement of corporate goals – such as growth, market presence, customer & employee attraction/retention and ultimately net worth

Other Goals Carried Over To Interview Phase of Stage II Research

- Determination of type of drivers for portfolio changes (endogenous, exogenous or a mixture of both)?
- Further exploration of the current and past practice of knowledge transfer acquisition, creation or sharing
- Further exploration of the organisational culture and its impacts on employee mindsets.
- Nature of work culture modification within the last 5yrs to be explored
- Further exploration for the disparity in headoffice and in-buildings culture
- Is change in work practice related to corporate growth? How does a cultural change relate to core property investment functions and can KM aid the process?
- Correlation of current management strategies and practices with KM and ICM Theories
- Formulation of a model which represent the dynamics of practices in Bruntwood

Fig G-50: Schematic of Stage II to Interview Transition

Chapter Seven

7.0   Qualitative Research Design, Data Collection & Analyses

Having completed the analyses of the customer and employee surveys, it was essential to explore some of the emerging patterns in greater depth.

Based on the phenomenological epistemology adopted as the research paradigm, it was logical to follow-up the initial surveys with selective interviews. The design of this process involved a convenience and stratified random sampling. The selection criteria favoured incumbent post-holders who were deemed potentially capable, by this Researcher, of clarifying the management strategies deployed by Bruntwood over recent years. This included the Chairman, M.D, a few Directors and Heads of Departments. In addition it included a random selection of employees from stratified groups defined by location, type of work, nature of contract (i.e full-time or part-time, fixed base or floating staff) and gender.

In order to capture the diversity of issues to be explored and tap into the depth of interviewees' opinions, a semi-structured interview technique was adopted. Byman (2001) posits that such a method tends to be flexible and enables the researcher to respond to the direction, which interviewees set, perhaps adjusting the emphases in the research as a result of significant issues that emerge.

Therefore an interview guide was formulated as a prompt during the interviews. Containing 30 questions that covers all the key issues to be explored (see Appendix III), this Researcher added and omitted from this list, depending on interviewees job description, experience in the company and issues important to each of them, whilst retaining a common thread of core questions.

On this basis, the researcher contacted 22 people drawn within the sample frame to request for appointments (within a period of two weeks) and briefly explained the purpose to each of them. All accepted to be interviewed (representing 100% response rate) and the sessions ranged from 45 - 80 minutes.

At the onset of the sessions, requests to tape the interviews were made after reaffirming confidentiality and permissions were granted by all. However, in order to minimise the potential impact of interviewees consciously reacting to being taped, the recorder used was a silent one and was kept out of sight. Only an inconspicuous omni-

directional microphone was casually kept on the desk in front of interviewees (amongst other files). All interviews were conducted in exclusive offices, which provided comfort and privacy. The offices used were mostly at the locational base of interviewees and entailed travels to other towns. The use of tape recorders enabled the Researcher to concentrate on the dialogue with interviewees, react to issues raised and minimised the use of prompts.

7.10   Framework & Tools For Data Analysis

Overall, 22 people working in Bruntwood were interviewed. In order to minimise error and attendant costs, the Researcher personally transcribed 17 of the interviews. On the average about 7 hours were spent on the transcriptions with about 20 pages generated for each one. Though replayed and reviewed by the researcher, the remaining 5 tapes were not transcribed having reached a point of 'theoretical saturation'[i]. Four of the tapes not transcribed were recorded with In-Buildings Interviewees.

Due to the mass of rich data mined, the Researcher considered various frameworks and tools for analyses and eventually decided to utilise the Ground Theory framework for the process and a NVivo software for coding and modelling.

Grounded Theory was developed by Glaser & Strauss in 1967 and has been defined by Bryman (2001) as theory that was derived from data, systematically gathered and analysed through the research process. The two central characteristics are the development of theory out of data and an iterative procedure where data collection and analysis proceed in tandem. It is worth noting that there are many definitions of Grounded Theory and the originators differ in their emphasis on development of concepts or theory.

The contemporary software developed from NUD*IST by QSR, and known as Nvivo, is a computer/ windows based software for qualitative data analysis. It can be used for coding texts, formulating nodes (either in a free or tree format), creating memos and designing models based on the inter-relation of nodes formed from the coded texts. As usual in the research community, there is a lack of consensus on the acceptability of computer aided softwares for qualitative data analysis. This Researcher reviewed the

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[i] Implying that the Researcher reaches a point, during coding, where additional analysis are no longer illuminating the concept (Bryman, 2001)

potential demerits posited by those against its use, such as succumbing to quantification temptations thereby imposing rigid structural analysis to the detriment of rich textual materials and that the softwares are predicated on grounded theory process of coding & retrieval (Bryman, 2001; Coffey et al, 1996; Weaver, 1995).

After due consideration, this Researcher decided that the advantages of a speedy, organised, transparent and flexible means of analysing the over 300 pages of textual material outweighs the potential disadvantages. Moreover, having subscribed to triangulation as the preferred method of data collection and analysis, the risk of having quantification in the process analysis is largely irrelevant as long as it is not allowed by the Researcher to dominate or direct the interpretation of the issues emerging.

Therefore, as soon as the initial interviews were completed, the transcription commenced whilst additional interviews were being conducted. Also, analysis of finished transcripts commenced whilst additional tapes were still being transcribed, according to the framework of Grounded Theory. The word documents were converted to rich text files and imported into Nvivo project in order to facilitate the following analysis.

7.20   Interviewees Profile

Of the 17 interviews transcribed, 5 were Directors, 3 were heads of depts, while the remaining 9 worked at various levels and departments in the organisation. Also, 2 of the interviewees were part-time staff and 1 was a Floater; as well as 5 women and 12 men. They represented approximately 10% of the total employees. The transcriptions filled about 340 textual pages and had the following basic details after coding.

Interview Documents	Creation Date	Creation Time	Is Memo?	Characters	Paragraphs	Nodes Coding	Passages Coded
BEL Interviews [1- Finance]	09/02/04	20:08:40	No	26,968	665	13	31
BEL Interviews [9 - Bld Dir]	08/10/03	23:05:07	No	55,581	657	22	65
BEL Interviews [5- Bld Staff]	09/02/04	10:06:54	No	35,379	551	16	29
BEL Interviews [3 - Asset Mgr]	09/02/04	09:59:39	No	37,299	547	16	38
BEL Interviews [13 CSM]	15/02/04	16:21:28	No	36,285	543	14	29
BEL Interviews [2 - Asset Mgr]	09/02/04	09:58:32	No	31,536	489	15	43
BEL Interviews [4 - Sales Surv]	09/02/04	09:58:05	No	43,223	431	19	39
BEL Interviews [18 CSM]	16/02/04	06:57:25	No	23,968	413	10	22
BEL Interviews [19 - IT Mgr]	14/02/04	01:52:14	No	36,719	365	9	20
BEL Interviews [10 - HR]	14/02/04	02:28:18	No	40,336	364	15	24
BEL Interviews [7 - Head Sales]	11/02/04	22:41:54	No	42,964	355	11	25
BEL Interviews [11- Biz Dir]	13/02/04	23:45:52	No	62,166	274	15	26
BEL Interviews [22- HR]	11/02/04	23:25:20	No	28,852	267	8	13
BEL Interviews [15 - Mkt Mgr]	15/02/04	12:40:24	No	34,214	253	13	19
BEL Interviews [23 - Fin Dir]	09/02/04	09:57:31	No	50,233	238	19	34
BEL Interviews [17 - MD]	01/10/03	22:55:32	No	34,703	206	23	56
BEL Interviews [21-Chairman]	30/09/03	22:26:51	No	24.255	85	25	48
				644,701	6,703	263	561

Table H-1: Basic Details of NVivo Data

Document Attribute Explorer - Analyses of BEL Intvs Oct 2703

File　Edit　Attribute　Document　Value

Document: [BEL Interviews [1- Finance] ▾]　+ Add　— Remove

Attribute: [Base ▾]　+ Add　— Remove　↻ Invert Table

	Base	Dept	Gender	Interview Date	Length of Service
BEL Interviews [1- Finance]	Headoffice	Finance	Female	2003/7/28	8
BEL Interviews [10 - HR]	Headoffice	Human Relations	Female	2003/7/30	4
BEL Interviews [11- Biz Dir]	Headoffice	Asset Management	Male	2003/7/30	14
BEL Interviews [13 CSM]	In-Buildings (Regional)	Customer Service	Female	2003/7/28	5
BEL Interviews [15 - Mkt Mgr]	Headoffice	Marketing	Male	2003/7/28	6
BEL Interviews [17 - MD]	Headoffice	Sales	Male	2003/8/1	10
BEL Interviews [18 CSM]	In-Buildings (City)	Customer Service	Male	2003/8/1	11
BEL Interviews [19 - IT Mgr]	Headoffice	I.T	Male	2003/8/4	9
BEL Interviews [2 - Asset Mgr]	Headoffice	Asset Management	Male	2003/7/28	3
BEL Interviews [21-Chairman]	Headoffice	Board	Male	2003/8/4	26
BEL Interviews [22- HR]	Headoffice (Part time)	Human Relations	Female	2003/8/4	5
BEL Interviews [23 - Fin Dir]	Headoffice	Finance	Male	2003/8/5	4
BEL Interviews [3 - Asset Mgr]	Headoffice (Part time)	Asset Management	Female	2003/7/28	10
BEL Interviews [4 - Sales Surv]	Headoffice	Sales	Male	2003/7/28	4
BEL Interviews [5- Bld Staff]	Floater	Building	Male	2003/7/29	12
BEL Interviews [7 - Head Sales]	Headoffice	Sales	Male	2003/7/29	6
BEL Interviews [9 - Bld Dir]	Headoffice	Building	Male	2003/8/5	17

Row: Document - BEL Interviews [1- Finance]　　　Column: Attribute - Base

Fig H-1: Screen Print of Interviewee Attributes

7.21　Data Coding

In NVivo, nodes are the places where a Researcher stores ideas and categories. Nodes could represent people, issues and other significant things in a project. When nodes are created without any link or structure, it is filed away by NVivo as a Free-Node, the ones with structures or links are separately filed as Tree-Nodes and either of these can be grouped into cases or sets.

At the onset, the initial interview transcripts were imported into the Nvivo software as project documents and then individually reviewed. No memos were created because all interviews were fully taped. Initially, random codes were formulated to tag the emerging categories and they remained free-floating nodes without any structure or link.

However, as more transcripts were added, tentative links were created in a tree format and new nodes formulated to deal with additional issues emerging.

Thereafter in a diversion from one of the features of the original Grounded Theory, the Researcher decided to flexibly assess the emerging nodal tree structure with a cognition based on Skandia's Intellectual Capital concept. However, where the nodes show no obvious link, the Researcher did not seek to force replication but to freely explore a unique model, which represents the reality of KM in Bruntwood Estates Limited (see full database in Appendix CD[i]).

This approach is supported by some writers (Bulmer, 1979; Bryman, 2001) who questioned the likelihood of researchers to suspend their awareness of relevant theories or concepts until quite a late stage in the process of analysis (as recommended by the advocates of grounded theory). The objective of this research is to determine if current practices in Bruntwood aligns with KM practices and the impacts these could have on the achievement of corporate goals. Hence, this Researcher is of the opinion that a candid utility of preconceived theories and concepts from the comprehensive literature review stage is not a demerit to the research procedure, but a realistic recognition of heuristics as a potent framework researchers cannot just switch off and on.

Hence, the nodes created were utilised to code the transcripts in discrete or overlapping modes (i.e where the same sentence or paragraph is coded with different nodes because it applies to separate categories). However, as stated earlier, the links between parent nodes and its siblings, kept changing throughout the period of analysis based on the researcher's establishment of stronger relationships and categories as the research progressed. The end structure is what constitutes the models (main and minor) to be discussed later in this chapter.

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[i] Nvivo read-only software is included in the Appendix cd for download (copyright permission granted by QSR). The research analysis is locked with the following keys: [Name: *Guest*] & [Password: *fmgc2004*]

7.30 Data Analysis

The report of the qualitative analysis carried out on the transcribed interviews of 17 Bruntwood Employees is categorised as follows:

- Drivers of Change;
- The Role of Organisational Culture
    - The Bruntwood Way
    - Interplay of Organisational Culture & Individual Mindsets
- Intellectual Capital
    - Structural Capital
    - Customer Capital
    - Human Capital
- Constraints of Change & Knowledge Management in Bruntwood

Within the main categories however, are many minor categories, which would be explored in order to meet the research objectives and answer the outstanding questions from the initial surveys e.g Information Management, Subgroup cultural variance (Headoffice Vs. In-Building), Customer Relationship Management, Marketing & Branding, Human Resource Management etc.

In discussing these issues, relevant quotations from the interviewees would be extracted from their nodal or document segment in NVivo and they represent directly taped quotations. The only adaptation made during transcriptions was the substitution of job/ function titles for personal names uttered by Interviewees (in order to maintain some privacy and where quite confidential this was omitted).   More importantly, this report will emphasise phenomenological issues that the customer and employee surveys conducted were unable to adequately explore in order to achieve a holistic appreciation of KM in property businesses. Analytic summaries are interspersed with the boxes as intervals.

7.3.1   Drivers of Change

During the interviews, this Researcher sought to know why the original decision makers felt the need to change the status quo and attempt to do things differently. This question was asked in various forms and from various people.

Bruntwood is a privately owned property investment company, which has carved a niche for itself in the commercial property sector, but has it always operated in this sector? At the inception of the company did the pioneer Owner/ employees base their action on existing knowledge; knowledge transferred or newly created knowledge?

Document 'BEL Interviews [21-Chairman]'   **Box 1.0**

NO. 21:

"....... Although originally I trained as a builder and have my degree(s) in building, I spent the first 10 yrs of my business career in Building; I then dove into property and worked for 2-3 yrs for a major national industrial development company .....and really gained my knowledge of property in that company where I was Regional Director for the North of England"

CYRIL:

Is that why you started off with industrial properties instead of commercial properties when you commenced.....?

NO. 21:

"Absolutely, because I really did not have any knowledge of commercial properties....well, I say I didn't have any, we did a limited amount of commercial development but the company was very much focussed on industrial development. And also I felt, that it was going to be easier to get into industrial property because frankly.......the access and price level is much lower. So you can make a start and make an impact at a much lower price level in industrial property, particularly at that time. Because in the region there was a lot of redundant properties around and therefore a plentiful of supply at a very reasonable price"

Document 'BEL Interviews [9 - Building Director]',

No. 9:

"No, After leaving .... Polytechnic with my degree, I did a year for a house agent and then I did 3 and a half years in private practice in the city centre. I was dealing with industrial property agency, acquisitions etc"

From this answer, it became obvious that the possession of industrial property know-how, lack of knowledge in commercial properties and market forces were the key drivers (both endogenous and exogenous), which defined the original industrial focus.

So, how and why did the company transit to become a player in the commercial property sector?

Document 'BEL Interviews [21-Chairman]',   **Box 2.0**

No.21:

"What happened was...... After 3-4 years of industrial property, the region went through a particularly bad recession in the early 80s. Although nationally, there was a major recession in the early 80s, it was particularly bad in this region"

No. 21:

"We actually lost over a six months period a third of our 'inthro' (in through the door rents)....which was a very severe loss indeed. We had great difficulty recovering from that. We had at that stage actually just acquired our first office building in the centre of the city, and we then managed to sell the bulk of our industrial portfolio and moved our activities into commercial market."

Once more the key drivers of change from industrial to commercial were economic imperatives possibly in addition to knowledge gained over the initial trading period.

7.3.2   The Role of Organisational Culture

In this section, questions regarding the origin of the company's organisational culture were analysed to determine if this was based on explicit or tacit knowledge of the executives.

Document 'BEL Interviews [21-Chairman]',

<div style="text-align:right">

Box 3.0

</div>

CYRIL:

What motivated you to do things differently from the other office property owners & investors that you met in the market.... In what some people termed as the American approach?

NO. 21:

"Perhaps because I came into the industry without too many preconceived ideas, it just seemed to me the logical thing to do. Because I had not worked historically with ..... although I worked in the property company for a short period they were developers and not investors. And therefore I came to it without a lot of preconceived ideas as to how it should operate. It just seemed to me logical that one needed to provide a round service as opposed to just concentrating in a very focussed way on investments and investment returns. Not looking at actual customers and what they needed. It really evolved... and it wasn't as though one set-out with a big master plan .....and it was a 25 or 50 page document, as to how it would work. It was not like that at all! What happened was, it was just logical, seemed this was the right way to do it and that was the way we went ahead and did it. One of the underlying things I have always said is that we run a business here and basically we are looking to manage our business on good sensible business ideas as opposed to saying one is an entrepreneur or is doing deals ....and the deal was all it was about. I was very much wanting to run it as a total business looking at all of the business aspects .....and I think from the outset differentiated what I was doing here from a number of other people who were setting up at a similar period of time in the way they were looking at it"

From this quotation, an indication of knowledge creation was given. The Chairman set the pace of change with his desire for things *to run differently* from the sector's status quo. Quite significantly, the novelty of the Chairman's idea was due to lack of knowledge inhibition (i.*e not having any pre-conceived ideas)-* hence the willingness to innovate. However, what about the other early decision-makers, did they play any influential role in the direction of this organisational vehicle? Could they have transferred or captured their ideas from elsewhere?

Document 'BEL Interviews [11- Business Director]',   **Box 4.0**

CYRIL:

And at the time you joined, was there any apparent discernible organisation culture already in place or did this form over the years you've been here?

NO. 11:

"Well the..... what I know today in terms of maybe Chairman's values and how they prevailed over the company, is what was apparent at the time. Albeit, again the comparisons of day to day are somewhat too far extreme because as I said we were an entrepreneurial led company by one person who had control of everything and you know it's the more.... the change has come from when Chairman's released himself from being the MD effectively. And once he removed himself from that position he's been able to influence the company culture with the current M.D and ourselves in terms of what we saw so there must have been some commonality of value and how we looked at things. But I don't think..... the emphasis was as at that time was more to technically be able to do a job."

Document 'BEL Interviews [17- Managing Director]',

NO. 17:

"The biggest factor is the networking .. and the learning of the Directors outside of the industry, looking to best practice in other industries. So unlike the traditional property model that has one going to only property seminars ....every 12 months you go for a couple of days property seminars and refresh your property knowledge, which is important. And for sometime now, myself and other Directors in the business have been involved in Chief Exec peer groups, Directors peer groups meetings where business issues are discussed where outside speakers come and talk to us ......and those are a host of people from different businesses sharing best practice from..... the leisure industry, the retail industry, manufacturing and you can pick things from other industries that are applicable to your business. So in the first instance, one is aware of different ways of conducting business from other businesses, secondly then look at the type of business that we are.... there are property companies that have values and very good corporate structures but tend to be in the services side....not particularly entrepreneurial."

What we've got here is, the fact that we've got a large portfolio, we manage and run like a mature business and we've got the entrepreneurial deal making property development company as well. And its the need and recognition of the importance of the large portfolio, matured business and the need to keep on running that as well as we can in order to generate the foundations for further development means we gonna keep running the business the way we do."

CYRIL:

And the values, which constitute the company culture, are these extension of personalities? Did this grow from the chairman's own personal values only or the handful of Directors that started the company?

NO. 17:

"No its not personalities...... and our Marketing dept really need to stop using that word. Its far bigger than personalities, its about character. It is the character of the company and an extension of .... I suppose it started with the founders of the business, they've been shaped by everybody in the company and it is really the way the company is..."

Document 'BEL Interviews [9 - Building Director]',

No.9:

"...... I think the Bruntwood Way is best summed up for me by saying I think its the Chairman's personality. All the values that are on the wall, are the Chairman's personality. And because he started the company off and recruited the first people, I think there's a general tendency to recruit people who you see and feel have the same personalities, yeah. So I joined and the other Directors joined. Its all spreading out really and all we've done recently when we defined these values is put down how we all are. Its like a family tree and if you look back I think the Bruntwood Way's is the Chairman's personality." **Box 5.0**

Whilst there is a veritable debate amongst interviewees about the enduring influence of the Chairman on the organisation's focus and culture, the MD reveals in the excerpt above (1st quote of No 17 in Box 5.0) the extraneous influence of lessons from other organisations on the formation of Bruntwood's practices. This additional hint of knowledge transfer would be further explored with other interviewees.

The contention on the Chairman's dominating influence is suggestive of a current propensity by management to play-up communality and down play charismaticism.

Was the official version revealed by the MD when he stated that "......*No its not personalities...... and our Marketing dept really need to stop using that word* ". How should this cultural evolution be explained by the Marketing dept?

Document 'BEL Interviews [15 - Marketing]'   **Box 6.0**

No. 15:
"Values although they were given to the organisation by a team of people who built them, they were not the brain child or characteristics of any individual or a small group of individuals. They were the characteristics that....the twelve core values is a process and wasn't just a fag packet calculations that it will be quite nice to be known for all that. Each of the twelve values are the characteristics that we recognise over the years that people in our organisation have demonstrated to take us to where we are at this given point. These are values that inadvertently in an oblivious fashion, everyone has helped create."

Document 'BEL Interviews [11- Business Director]',

CYRIL:

So would you then say the culture as it has evolved is likely to be an aggregation of all your aspirations and not just the Chairman's values?

NO. 11:

"Well the culture has evolved through myself, Building Director, M.D and Chairman and to maybe a lesser extent Exec Finance Director in the past and that's evolved because we in our different ways.... in terms of the character shall we say have led through that. But in fact many of the values we all have and we all hold dear, and we always have done so, the values are a reflection in the main of the four of us of which they've grown and developed through. Its maybe has not been as conscious as those are because you know modern business is all about values and attitude, whereas when I started, it was still very much you........ shall we say hierarchical, the more employment to do the job rather than anything else this culture of you employ for attitudes has changed only in the last 2 or 3 years. So I think the association of something 14 years ago to every other day has no bearing.... what it is, the company has grown through the values that we hold dear its only more recently that we've maybe written them down and felt comfortable in doing so because it's a clarity of thought between us all. But there's none of the values..... or all those values have actually been around for a long time"

Again, another evidence of diversity of perception. This begins to lend credence to the existence of a multi-layered cultural vehicle where a few dominating discourses constitutes its loci, additional layers driven by pioneering employees with commonality of value and subsequent layers possibly based on perpetuation of normative control through conscious manipulation of culture as a management variable (McAuley, 1994; Hatch 1997).

Despite current efforts to de-emphasise the origin of the core ideology as a counter balance to ethnocentrism, the perception of the Chairman being the dominating influence persists, particularly with employees who have worked longer with the company. This is reflected in the excerpts below from such staff.

Document 'BEL Interviews [3 - Asset Mgr]',   **Box 7.0**

"I mean the Bruntwood way.... I mean it's grown, they launched a different one every year to start with and then they've stuck with the Bruntwood way as a corporate strategy. Every year I suppose its always been there and I suppose its probably been the Chairman's personality to start off. I mean Bruntwood was the chairman and to some extent Bruntwood still is the chairman. And it was his beliefs and his strength of character I suppose that came out of that. He is so passionate about doing things right and doing them the way we are supposed to do them and his honesty, integrity and everything else that you know has pulled through. So I suppose that then became as Bruntwood grew it was less just chairman and more the board of directors and it's just evolved. I think really goes back to the chairman."

Document 'BEL Interviews [9 - Building Dir]'

"No it wasn't badged the Bruntwood Way but it existed in the individuals who worked for the company at the time. When I started, basically my goal was... me and a couple of other people. And without exception we were all very like minded. We were all in early, we all worked hard. When the work is done we went for a beer"

What then defines the cultural domain in Bruntwood? Is it monolithic or a plurality of cultures?

7.3.3   The Bruntwood Way

The phrase, known as "The Bruntwood Way", is quite common within the subject company. It can be seen on their websites (*see Appendix VI*), marketing materials and generally spoken about by employees. Enquiries made by this Researcher revealed that it is meant to denote the company ethos, and in a fuzzy way define the organisational culture.

Currently, the corporate values are symbolised by 12 key epithets which are:- Integrity, Pride, Respect, Can Do, Challenging, Learning, Ownership, No Nonsense, Long Term, Survival, Vibrant and Rounded. Prior to this, the key slogans in the company's marketing strategy were flexibility, innovation, quality product, customer service and adding value; these have now evolved to the loci of the cultural vehicle.

But what does this phrase mean to different employees? Do they all have the same understanding? Is it an overarching unifying factor in the organisation?

Document 'BEL Interviews [17 - MD]',   **Box 8.0**

No.17:

"It is the ....unique way in which the company approaches its customers...."

Document 'BEL Interviews [10 - HR]',

NO. 10:

"It is very intangible isn't it? The Bruntwood Way is really a way of working, I couldn't say to you it means x, y and z. but I could see it for you, you know what I mean, I could visualise it. If you were acting in a certain way I could say uhm... is that compatible with our culture? Its all built around teamwork really, can do, being flexible, being approachable and not crossing off any sort of options from your list really, being that type of person who can be opened to different ideas etc. It is very intangible I don't think...its bandied about everytime but people obviously have their own perceptions of what it means...."

Box 9.0

Document 'BEL Interviews [15 - Mktg]',

No. 15:

" I think you'll probably find people's take on that will be different depending on what functions they are. I know that I run the marketing team in a very unusual way - Anything is possible in our team partly because it has to be. If we were the kind of team to jump all over the reasons at the point of conceiving ideas, if we were the type of individuals who were very quick to come up with reasons why things wont be possible why it may be difficult. We will probably be the highest profile failures in the organisation. Its our job to make unusual and difficult things to happen. So for us, anything is possible"

Document 'BEL Interviews [1- Finance]',

NO. 1:

"Its em ...it kinda it sets out your guidelines for your working life not as much rules, but the way the company expects you to act or perceive yourself in work and sociably as possibly... not so much strict guidelines but ....(struggling for words)"

Document 'BEL Interviews [18 - Customer Service Manager]',
No.18:

"Its got to be the way that the company carries out its business, the way we approach customers, our company ethos, in retaining those customers that we have, the way that we invest in us as members of staff, it's an all encompassing thing. I mean our basic company ethos is so different to any other company. Its not all take, there is a lot of give and take on everybody's part I believe."

Document 'BEL Interviews [5- Bld Staff]',

NO. 5:

"It means to me..... as the company's grown we've set standards and we've grown these standards and that's the way we do our work and not just from Headoffice, right the way through the system and everybody should start having a way of understanding and a code of how to conduct themselves and react in the buildings and in general....."

Box 10.0

Document 'BEL Interviews [23 - Fin Dir]',

No.23:

"The Bruntwood Way? The Bruntwood way is almost something that's part of the culture, and I guess its moved on a bit since the introduction of the various values we've now got. But essentially, the Bruntwood Way is to put the customer at the heart of things. Being flexible enough to not necessarily go with the rolls royce most expensive solution but to find a practical imaginative solution to the customers requirement. That essentially add value for the both customers and ourselves, manages suppliers in a professional way and so on"

Document 'BEL Interviews [2 - Asset Mgr]'

NO. 2:

"I think it's quite an empty phrase really. It's more well.......... I mean .....the only thing that I ....I know people who work for other landlords who treat their tenants as tenants and not as customers and I think broadly speaking we don't do that although you they pretty much act as tenants.... and so I would say it's a pretty...... I don't like superficial is probably a bit strong because I think honestly there are people who genuinely do believe in this kind of customary ethos but in what it means in practical terms I'm not really too sure..... not an awful lot to me"

The cultural phenomena in Bruntwood is discrete, functional and has evolved over the years. Most employees interviewed individually were attuned to the ideological wave known as the 'Bruntwood Way'. The core ideologies (as it exists currently) appear to be customer focussed. Is this a managerial metamyth or genuine cultural monolith? Where the employees do not have a job function which demand frequent interaction with the company's customers, then their perception represent an adaptation of the ethos to their workplace tasks e.g the Finance staff, Marketing Manager and Building Maintenance Staff who consider this to be *'a code of conduct'* ', *making things possible',* and *'a guideline for working life'.*

However, within this quintessential cultural pool of group conformity are discordant tensions grounded in conflicts with a multi-layered level of individual mindsets (see excerpt of No 2 in Box 10). There are employees who critically feel the entire philosophy is being too prescriptive and 'not believable'. However, is this a real resistance to the organisational culture, a sub-group aberration or simply cynical rhetoric that are symptomatic of disenfranchised employees who would invariably put up public shows of conformity?

The sceptre of sub-cultural deviance and possibility of discourse domination by certain sub-groups (such as the Chairman and pioneering Directors) in itself does not constitute a cog in a learning organisation's wheel of change. It actually aligns with the postulation of Darwin et al (2002) who argued against the notion of organisations being pervaded by a unifying mindset and posited that particularly powerful groups could dominate discourses.

In the following sections, the research will elicit responses to clarify if this normative element (i.e adherence to a collective paradigm) of the cultural vehicle dominates the interaction between employees. It will seek to know if it influences how employees do their job and interact with customers. Also, how are inherent conflicts between individual and group interests identified and managed? What is the manner of structuring power (or its devolution), authority and control within the organisation?

7.3.4   Bruntwood's Organisational Capital

Earlier in Chapter two, the Researcher defined KM as the process of systematically creating, adopting, retrieving, transferring & controlling information, knowledge and know-how in a property company, for the purpose of enhancing its service delivery, improving net worth and achieving its corporate goals. In a changing environment, the organisational structure, human resource and work-place culture must be constantly reassessed in order to improve its intellectual capital.

As a prelude to the exploration of human capital, the next section deals with the innovation, organisational and process capitals in Bruntwood.

7.3.4.1   Innovation Capital

The Bruntwood Way can be classified under innovation capital in the organisation due to is radical departure from the traditional landlord tenant ideology, emphasis on customer service and innovative approach to management of change by the employees. So how does it impact on their interaction and productivity? What is the evolutionary pattern of this culture?

Document 'BEL Interviews [1- Finance]',   **Box 11.0**

NO. 1:

"It gives you a more... of an understanding of what's happened in the company because when they have the actual Bruntwood meeting where the whole of Bruntwood sits down and tell you what's happening in the next year and forecasting figures etc. Its nice to be able to see where Bruntwood's going, what's happening, what they're purchasing and deals and things ......where before you never knew until you saw an actual invite and you'll be like..... oh is this a new building you know it's a bit......"

NO. 1:

"I think it makes the company look more organised and efficient"

CYRIL:

"But is it more ....organised?"

NO. 1:

"Maybe. They like to think it is because they have this Bruntwood Way.....

Document 'BEL Interviews [19 - IT]',

CYRIL:

Does it affect how you do your job?

No. 19:

"Probably yes, because its in the back of your mind when you're doing things...."

Document 'BEL Interviews [7 - Sales]'

NO. 7:
"Yeah it affects everything I do in my job I would say"

Amongst the interviewees above, there was a general consensus that it affects how employees do their job (supporting 60% positive response to Q33 in the employee survey), with only a hint of dissent by an employee who appear to be consciously conforming while unconsciously repudiating the intrusion of group norms into her privatised comfort zone. Exploring divergent perspective to this theme further through other employees revealed:

Document 'BEL Interviews [3 - Asset Mgr]',

Box 12.0

NO. 3:

"Yes, because the standards of how you are expected to treat customers, how you are expected to respond to people. I suppose which would be a professional approach anyway, whether that is any different than any other professional company, I'm not sure. But yes that's obviously you know that is instilled in you to treat people as customers and be non-confrontational and everything else. So from that side yes from the other side, then obviously probably even more from... it's desire it should be to motivate you to create a pleasant environment you want to come in every morning be happy and you are therefore productive whether it meets that objective I'm not so sure...... not as much again not as much as they think they do"

Document 'BEL Interviews [2 - Asset Mgr]'

NO. 2:

"Yeah I think part of it is being... if the Bruntwood way is an umbrella you know a way of doing business and a way of dealing with people yeah it's all well and good, but I think if your employees perceive as they do people aren't treated equally within the company. Don't get me wrong I mean it's probably the same for any company anywhere in the world, but if you're gonna hang your hat on a phrase like that you know damn well make sure you have your house in order before you start coming across in a preachy way yeah? I think that probably gets on peoples toes a little bit"

Document 'BEL Interviews [4 - Sales]'

".......in terms of internally I think yeah I mean I think there is an influence there on the way you work the way you work in a team because there has to be. You know there are certain things that we should be doing from a

customer service point of view there's ways that schemes need to be handled so the building surveyors need to be aware of that and the customer managers input obviously is invaluable, the asset manager bears that in mind..... I think pretty much it runs through almost everything you do that underlying theme of flexibility and customer service there's certain things that may be at other places you would try and get away with to keep, or cut costs or time or whatever whereas here I think there's a general feeling that things need to be done properly by the book and the customer friendly way".

Document 'BEL Interviews [21-Chairman]',

No.21:

".. It is because part of the company culture is that part of what makes a Bruntwood person is this desire, to succeed, the desire to do better. Wanting to be just the best whatever you are doing, and that is what drives the company forward"

Box 13.0

Majority of the interviewees agree that the organisational culture impacts on how they interact with colleagues and customers in addition to how they do their job. Whilst some consider this normative prescription as restrictive, others appear to find it motivational (in fact 83-85% employees who understand the culture find their job stimulating according to the outcome of survey Q.3)

7.3.4.2   Interplay of Mindsets

The Researcher decided to explore the interplay between group norms and individual mindset based on some interviewees unveiling non-conformists tendencies despite the strong group culture,

The statistically significant survey result showing cultural dissonance between sub-groups (such as employees based in headoffice and In-building employees) will be later discussed under a different heading – labelled 'challenges and constraints of KM'.

Document 'BEL Interviews [13 CSM]',

NO. 13:

Box 14.0

"It must do, although not consciously. But it must do because we have to encourage... I have to encourage my on site staff to keep the building in a pristine condition that it should be in. To react to customers as we should be doing in the Bruntwood way and referring back to the standards that now come through. And to a certain extent yes when I need to fight a cause for the building with the rest of the team maybe against some colleagues, we can use the Bruntwood way to fight the cause. I think the whole concept of having a Bruntwood way is that it's extremely good"

Document 'BEL Interviews [15 - Mkt Mgr]',

No. 15:

"I don't think the values have changed the way I work because I think that now they are so engrained into the recruitment process that we recruit people who demonstrate these characteristics from the start. The only reason the values are actually influencing the people's behaviour and manner in the work place are those people who were off-message, off-culture at the point of joining the company. If you look around the business now, the people who fall into that category, there are not very many of them. The values for me belong much more at front end the recruitment and the training that do in....lets try and change the way the person operates, that's not the way they should work."

Document 'BEL Interviews [2 - Asset Manager]'

NO. 2:

"It can be and sometimes it's not. It is quite easy sometimes to fall into a kinda group thing mindset where people just start agreeing with other for the sake of it and not really thinking too hard about what they're actually saying rather than just agreeing with their peers. And also it makes can make decision taking quite difficult for people sometimes reluctant to actually take a decision or take responsibility"

Document 'BEL Interviews [2 - Asset Manager]'

Box 15.0

NO. 2:

"...... it's become slightly more evangelical, I think now all these Bruntwood people have good home life-work life balance, and all this kind of thing well you know my work life balances is my business and nobody elses, so before just halfway or 3 years ago probably Bruntwood way was to do with customers but now it's a lot more to do with personal, self perception, personal motivation"

Document 'BEL Interviews [23 - Fin Dir]', 1 passages, 638 characters.

No.23:

"Yeah, I think to some extent I'll like to think a lot of these values are the way I already work. Obviously I am conscious of them I do like to follow them. I think for us all we need to get momentum going with the implementation of these values .... but I will like us to keep if more in the forefront of people's mind a bit more. Yes I do strive to follow them.

Document 'BEL Interviews [3 - Asset Manager]'

NO. 3:

"Yes, I think in some ways less personal and in someways more personal because I think they believe that they've got more in touch with the people side of things as time has gone on"

CYRIL:

Are they?

NO. 3:

"I don't think they are, but they think they are"

Document 'BEL Interviews [5- Bld Staff]',

NO. 5:

"Yeah I think its got to be I think the onus is on more efficiency because if we don't I think there's a direct come back it would not benefit Bruntwoods and if it didn't benefit them, it would not benefit me and anything that doesn't benefit me is not going to be good for me so it does influence you because I know that if I don't do something right then someone in here is going to be unhappy with me but I wont in anyway Cyril, I have some standards of my own so I wouldn't anyway"

In this section the illusion that organisations are a happy, harmonious, collaborative communities (Buchanan & Badham, 1999) is fragmentalised. Excerpts above indeed supports the notion that it could be a bedlam of conflicts (see No3 in Box 15), self-protection and self-promotion. However, this Researcher would suggest that the propensity by a majority of individuals to buck resistance to changes in the organisational culture would inexorably support the movement of the organisation in the direction of the dominant discourses. Further submission to peer pressures or group coercion would promote active collaboration and achieve a measure of desired changes. Thus in Bruntwood in spite of the simmering resentment to some components of the cultural vehicle, which gravitates below the surface, a noticeable semblance of harmony and collectiveness is maintained with 60% of employees agreeing that it has made a positive difference to how they work (outcome of survey Q.33)

7.3.4.3   Process Capital

Since its inception, the Directors of Bruntwood have employed a variety of strategies to manage the internal processes and structures. Interviewees discussed their impression of the main ones as follows:

On Kaizen or Learning Organisation: Box 16.0

Document 'BEL Interviews [21-Chairman]',
"The Kaizen situation was somewhat different, this certainly was very much very much going to hear somebody talk about it and it rang bells with me. I thought this seemed to be a very good idea, a very good way forward. I don't think at the time we implemented it terribly well as an organisation, we had a shot at it. On the other hand, it is very difficult to implement something as big as that and almost run your business at the same time. There is a great danger that in fact you can spend too much time getting kaizen to work within your organisation, that in fact you may take your eyes off the ball in terms of running your business. Certainly, in the first place I have to say we failed in implementing kaizen properly."

"Having said that, I think it has subsequently come back in different guises throughout organisation when we really embraced the idea of a flat structure. That was really when, to all intent purposes, we started to do many of the kaizen things. And it just became logically part of what we were doing, although certainly we do not wholeheartedly embrace all of the kaizen thinking. Nevertheless, I believe.... our flat structure and many of the good points from that remain and in fact flows through from that."

Document 'BEL Interviews [17-M.D]',

"A lot of values of kaizen are in the company and one can see examples of it all the time. We are driving that now.. the name has lost credibility in the company because we had two days of launching it under that name. Yes it did come from seeing other companies, primarily from the more manufacturing base. So in the first instance the application of it was a little bit....... it was quite difficult to see quite how it applies to Bruntwood. We didn't have sufficient general management in the organisation, to champion the process and organise it and we didn't have enough slack in our people to make it work initially. But gradually, the desire to get into it is still.......kaizen is continuous improvement and this is part of everybody's role and it is there in the organisation. You can see examples of it throughout the company where strategy.....I should say not so much strategy......processes are being improved, not by people sat in their ivory towers but by the people who are actually involved with the process. Examples such as honing our sales process with the customer service teams to ensure that we best sell Bruntwood is not something that myself as the leader of the sales teams or the two sectional heads have done, it is a small team of junior sales people and with a team of customer service manager getting together to deal with that process because that process wasn't working. How refurbishment is undertaken in our buildings, met with a team of building surveyors and customer service managers.....And again, it is really by now getting people in the company to understand that it is their responsibility not just what they do, but to look at how they do what they do and take time out to improve that process. Which is now happening in the company. Next question then is how are we capturing that..... not particularly well at the moment probably. There is a few of the projects which are being recorded, and the process is put in place for everyone to adopt, but I am sure there are whole hosts of things which aren't being properly recorded."

Box 17.0

| Document 'BEL Interviews [11-Business Dir]', | **Box 18.0** |

"Kaizen was a little bit current thinking of the time and a wheezy idea we saw a few takes and it sounded like a good idea to do. The reason kaizen didn't particularly work in its form we did even though we did a lot of training on. Whilst ... we thought it was a good idea but it didn't come from the people and therefore when it really came down to it there was only a couple of us who wanted to keep going with it but this business isn't big enough sometimes to allow you to dedicate yourself to do it. Therefore it didn't get sold properly and b) we didn't get the value and ultimately we did all the right things but and I still believe kaizen is part of the values of what we do it because continuous development is what we do anyway. But badging it kaizen was a bit bringing people in to try and do it and it was the wrong way round to doing it. We should have let it develop through people and then say lets sort of bin and name Bruntwood something rather than anything else. So I think kaizen has always been one of those with good intentions but didn't quite go the way we thought because we didn't put the right resources into it. The difference today is we do attitude training, we do values and we've put we're able to put the resources behind it to see it through as well as keeping it going the kaizen of course by definition is a continuos development. It also we didn't have the resources really just to handle it in an organisational sense either"

Document 'BEL Interviews [22- HR]',.

Yes. I don't quite know what it actually stands for but so kaizen was introduced to us it wasn't the case of us sourcing a company and the Chairman was very much in favour of the company changing its culture and really be controlling...... because when I was in HR and plus the head of HR department there was so much happening between the Chairman & the MD. Because the Chairman stepping back and the MD was taking over. But this was something that was seen as I believe something that would help that process. Do I think it failed. I don't think it I failed. I think a lot of people say that now but coming back into head office lots of things that were introduced by Kaizen.... Take place. It'll have different names but they're taking place and never did before. So I don't personally ever think it failed, I don't.

On Investor in People:

Box 19.0

NO. 22:

"Well IIP means looking at the way that you treat your employees basically and its about training and development, very much about having setting standards within all your other practices within HR and then its changed quite recently - and ... look at processes within the company and how... individuals tie to the company goals really. We're waiting for a reassessment and during the reassessment, which has to be every 3-5yrs, but I am not sure whether that was really taken on board, because IIP was very much a while ago, if you like, a stamp on the company to say they've got it you know, they are now IIP you know. It was used as marketing tool for example in many companies and it probably came on board from that point of view for us to get IIP,.... we haven't got it so lets get it, we got it and then it very much developed into this bigger picture of these are the company goals, these are individual goals, how do these things work together, are we sharing information? Are we doing x, y & z? ....Now I don't necessarily believe that everybody has full information on what it now means. I don't necessarily believe that employees regard it that much,...... you know in that high regard as if for example. You and I for example if we were looking for a new job we wouldn't necessarily go are they IIP? If they are not one I am not interested. That might be the case 5yrs ago but I think its sort of...."

Document 'BEL Interviews [11-Business Dir]',

"...we've been looking on how we grow the business we've tended to have views made either business wise what we need to do financially, what we need to do, customers what we need to do, and people what we need to do. Not in any different priority so by definition if we always believe in customer service which has been a bedrock for many many years then by definition you need to look at people initiatives because I think everyone understands that customer service is only delivered by people. So from that point of view these initiatives have come about partly through a bit of, to be quite honest, a bit of that sounds like a wheezy great idea! Partly through the natural... 'it makes sense to go that way'! ....And partly through a natural concerted vision and policy that we need to improve in that area. You go back to kaizen and investors. Investors we've never done for Investors in People - it was done because we were already doing it.

And we did it because we might as well take the award even though we are doing it and they and to be quite honest about that that had two benefits one it showed our people that we were serious about that and b) it gave externally a view that we are serious about our people. But we were already doing it so it wasn't something that we had to do a lot about we got it quite easily."

On Process Improvement & Change Management:

Document 'BEL Interviews [23 - Fin Dir]',

"Now, when I joined, the Accounts function was regarded a little bit as the backroom function under invested in. And really as the company grew, the assumption was that with economies of scale it won't be necessary to put more resource into the accounts function. So what I did was address three areas - people, processes and systems. We had some changes in personnel sort of early on, though we are at a stable position now, we have been for at least 12 months now. We brought new people in, effectively our headcount has only gone up one extra person over that three and a half to four year period. But the people we've got, and the systems we've now put in means hopefully we can deliver more now. The system changes were put in because it was realised that we had a system that served us well, it was belt and braces based on old technology really, served us well for 20 odd years and we needed to move to one that windows based and more transparent and so on. The whole fundamental theme of what we've tried to do is to give more transparency to the numbers to enable end users to be able to go in and interrogate the system far more readily and all of the procedures to be followed have been about more transparency in everything - from the estimating process, the LBE (latest best estimate - a bruntwood acronym for regular account check/ updates) *everything. Also, to have one single repository of information and hold data in one place. One thing we identified early on was for example that when somebody paid us, we would record that cash receipt in about five different places ....were recorded in the accounts, multisoft package, mayfair package in annual cashbook, in spreadsheet and then probably another spreadsheet somewhere. So, now we've only got one place and we're gradually killing off all these various duplicate databases and spreadsheets that exist all around the company and try to get everyone to use one set of information."*

Box 20.0

Document 'BEL Interviews [5- Bld Staff]',   **Box 21.0**

CYRIL:

And how has health and safety standards been maintained during tasks you had to execute?

NO. 5:

"They've definitely changed they've definitely got better the standards have definitely risen we're not allowed to do anything that would be a risk to ourselves or anybody else"

CYRIL:

So that didn't used to exist or not as well?

NO. 5:

"It didn't really exist, I mean obviously health and safety is down to the individual and common sense as well, what you will and wouldn't do, but it's definitely changed for the better the structure now and its also people in the buildings who seem to know and would not allow it and so you are stopped and told."

Document 'BEL Interviews [13 - CSM]',

NO. 13:

"Health and safety is a real difficult one I've said since starting with Bruntwood we should have a proper Health and Safety Manager and Advisor and I did feel for the first couple of years within Bruntwood that they didn't really care and I don't think that's probably too strong a word, but they didn't really care about health and safety it wasn't their main priority put it that way and I only really feel now that they are acknowledging how important it is because of things that happened in the last couple of years"

CYRIL:

And what has been done about it?

NO. 13

"We are now recruiting a Health and Safety Manager……. things like that tended to be ignored and it was all run their own way, not something that I've experienced before. Over the years I've felt its become much more professional and that we're going down the right road now. I felt they had a lot an awful lot of things to sort out and I think they've taken a lot of time to sort them out and we're still not there but we're well on the road"

On Strategic Leadership & Management:

Box 22.0

Document 'BEL Interviews [17 - MD]'

"..... Leadership in Bruntwood is something led by the leaders to the other leaders........it remains very, very hands-on very, very involved and all our leaders still have active line responsibilities as well and get involved in projects. In the main we communicate strategies and direction of where we are going. We give people the tools to understand what it is they should be doing. They then go off and look at how they do it and keep feeding back, and in that feedback that allows us to guide, coach, advise and very significantly less give hard direction now from the leaders of the company in the projects which we are undertaking. Like a whole host of projects recently and we have really been able to steer than rather to strive to do.....and that is a significantly better position"

No. 17:

"..........Certainly, yeah, yeah, yeah! I mean we have a strong family charter, which much says it is meritocracy and you've got to be better to succeed in the business and that remains the case. When I grew up, I grew up with the expectation that I wasn't going to work in this business. My children will grow up with the expectation they're not going to work in this business, if it happens they have an interest in it and they're good at it and they want to come and work here, then sure they can. But they'll do as I did and work their way through the ranks."

Document 'BEL Interviews [11-Business Dir]',

CYRIL:

But how do you determine what you need to implement or buy-in to for the good of the company as a whole? Do you establish a two-way communication process to determine what your employees need or is it your perception of what you think they need?

NO. 11:

"No, I think there's a bit of both probably. And there's nothing wrong in either. Again the recognition of what this company is about as for instance, I've never sat in an office in this company so by definition I sit with the people who work here. I've always sat with the people who work here. I've never had a separate desk, I've always worked with people. So I think you've got to allow

us to be reasonably receptive and understand that if you work in the environment you can pick up generally what people are thinking. I've always managed all of the asset managers in some capacity that everyone who works here in Asset Management I've had some involvement with. We have a culture of meetings as you well know, but they have the benefit of actually do sit down and talk to people it may not always be that they talk to you. But you do talk to people so and if you're an open person and you've learnt to do that then by definition you get feedback we always have departmental meetings. I've always since I've been here since we have a department have a department meeting every month religiously. I've also had a sort of 360 degree appraisal done on me which by definition has allowed me 5 years ago to address some of my own issues but then get feedback from other people. We're constantly actually talking to people day in day out. You work around the office you hear people you talk to people you have one to one's over work loads you have one to one's and out of that comes other issues. So you soon pick up if there's particularly.... I mean obviously if there's a technical deficiency you see that immediately because you can pick that up and do something with it. Culturally if you work in an office like we all do and you work as particularly as someone like my colleague (Bld Director) and I do in an operational team day in day out, you can actually put your mind in their shoes and really work out what the issues are. We're aware when things people are either behaving right or not pulling their weight for instance its so obvious because you see people not coming into work on time for instance you know there's something wrong or you walk in the kitchen and it's a mess there's something not right -why is everyone leaving it a mess? So I think what we do do is we may not formally take you know written down what are the issues but it's a bit like our customer survey these days I believe if our customer survey is almost a tool to say we do a survey, if we don't actually know those issues there's something wrong in what we're doing. We should do we have people on site in every building! It's the same in the office if we don't actually know what the issues are with our people we shouldn't be here doing the job we shouldn't be here being paid to do what we do because we're there. There are very few organisations who have their directors and senior managers working hand in glove with the people and if those people don't feel they can come and talk to you then we've lost it as well"

Box 23.0

Document 'BEL Interviews [21-Chairman]	Box 24.0

".......no I don't get involved in the day to day running of the company. In other words, I see my role in the company as being more strategic than day to day. Hence my role is primarily a strategic one in the organisation, though I also see my role as what I would describe as "a safe pair of hands" guiding the company in the background as well. So therefore there may well be issues in which I do get involved with in detail, but in the main, my role is strategic"

No.21

"...I would hope that in fact what happens is we have a number of flat structure organisations working in parallel within the organisation being responsible and having some sort of board or semi-board structure or management structure."

CYRIL:

.....how did you find it able to relinquish responsibilities in terms of delegation by stepping away from being the M.D role to being purely the Chairman... and even as the company evolves to delegate more and more functions?

No. 21:

"......It took a lot of thought and consideration. I realised I was getting to an age and stage in my life, not that I felt any different, or thought I couldn't do it at the time I made that decision. But what I realised was that if I wanted this thing (company) to continue , which I do passionately, want it to continue growing, that I was going to have to accept the fact that somebody else was going to have to take it over and to run it. What I didn't want to happen and what would have been very foolish would have been to hang on till the very last moment until it was absolutely......... and then not do it in a properly manner. Not only that, having made the decision that the logical and right person to hand it over to was the MD (my son), and it is quite difficult to explain this to people or for them to accept this anyway, that this was because I genuinely believe that after a lot of thought and a lot of soul searching that he was the right person for the job. I also realised that he had to be running the company absolutely with very little input from me while he was in his prime. And he is in his prime or approaching is prime today. And it would be no good at this stage if he is still having somebody else holding his hands who he is responsible to. And also working on the basis that I really enjoy being here so much that I really do want to be part of it going forward that I really do have to work out a role for myself.

Hence if the company is going to go on successfully, and I have to have a role for myself I have had to plan this very carefully and have worked for the last 5years and been planning the situation very carefully and also continue to work and plan it. We hold various strategic meetings during the year. Like everything else, it does not always work all of the time, but majority of the time it does especially in comparison with many other people. I don't know of anybody who have been able to do it the way we did..... this I would say is one of the achievements which make me extremely proud !

On Having a Flat Management Structure:

Document 'BEL Interviews [21-Chairman]

"To run the organisation with such structures of dept but fortunately we were able to break it quite early before it got too much of a hold, and therefore it wasn't too much of a problem to move from that to the present flat structure which we've had now for a number of years and it just seems very much part of the Bruntwood Way."

Box 25.0

Document 'BEL Interviews [3 – Asset Mgt]

"..... you forget what a hierarchical environment is, I mean I've never worked for one. But the respect you have for people here, the norm that you have to do this because I'm your boss attitude, from a working point of view in that respect I think the flat management is just great!"

CYRIL:

So do you believe there is a flat management structure?

NO. 3:

"No "

CYRIL:

So why do you say it's great if there is none?

NO. 3:

"No. I think no because we don't have a, "I have right to tell you what to do" policy that its about team working, its about asking for peoples help, its about earning respect from people, so they want to ask your opinion or are prepared to help you. I think that culture is being generated by flat management structure its absolutely brilliant. The secretaries aren't treated like second class citizens or the office juniors or whatever I love the fact that there is a real respect for

> *each other and you don't hear people shouting and swearing at each other or....But I think from a professional point of view flat management structure is incredibly difficult for people to work in, because you do have the informal levels and some people deemed as second in command in the their department .....oh yeah we still have three four grades of company cars. So that was a clear indicator as to what level you were at. But I think people can't see a progression .....though they'll claim you're paid well and its about job satisfaction and its not about fancy titles, and I can completely understand their argument......but......"*
>
> **Box 26.0**

Many of the decision makers acknowledge that the management practice of Kaizen did not succeed in the manner intended (see Boxes 16, 17 & 18) and remembrance of it is now limited to only a handful of employees. However they also agree about the continuous influence of some initiatives commenced as a result of the Kaizen experiment, which has evolved but has sustained current process improvement characteristics of the organisational culture. Amongst the limitations that impeded the success of the practice was the lack of employee buy-in, insufficient devotion of resources to support the process and the top-down delivery of the scheme.

Regarding IIP, interviewees agree it was a useful marketing tool to have but emphasised that the company applied for this recognition based on the pre-existence of the required processes and structures in the company. Hence, it was essentially a public validation of existing processes, which has however lost its lustre due to what is perceived as insufficiently high standards to emulate as best practice. It seems this human relations accolade did not lead to any significant change in internal processes.

Interviewees revealed that concerted effort was made in Bruntwood on process and change management in the 1990s. The Directors actively sought solutions to address people, processes and requirements – both in the short and long term. This led to the acquisition of contemporary ICT assets, modification of reporting standards and operational processes. The organisational culture

became a tool for people management and the corporate vision was constantly reassessed and modified. There's been criticism of delayed implementation of change regarding some processes (such as H&S). Presumably, implementation processes were prioritised by the directors based on various parameters.

Quite significantly, the leadership style and succession planning in Bruntwood was briefly explored by the Researcher. The company is a family owned one with the founder director retaining the Chairmanship role after a succession to the chief executive role by his son.

There is research evidence that strong organisational cultures are associated with strong and competent leadership (Bass, 1993; Kotter and Heskett, 1992). Leadership styles depend on the situation and life-cycle of organisations (Grint, 2000). The leadership style in Bruntwood appears to have evolved in concurrence with this notion. Initially seen as autocratic (when led by the founding Chairman), visionary, technically focussed but fairly regressive in the development of autonomous self-determination by employees. There is a school of thought that a leader who is charismatic or transformational is the key design agent in organisational change (Hunt, 1991). Such a leader is expected to give members an overriding sense of purpose and vision, which drives the organisation towards its goals. In this sense, the Bruntwood model is a good fit to this concept. The bane of transformational leadership however is the inherent inability to continuously realign to emergent realities (De Vries, 1993). Therefore, the evolution of the Bruntwood leadership style to a more laissez-faire one was not only strategic but also essential. That this coincided with the succession implementation without diminution in the new chief executive's control is a testimony to the efficiency of the transition process. The office layout is such that the directors and management staff mingle with the employees with attendant facilitation of functional interaction. All the directors maintain operational roles in various teams, thereby seamlessly transmitting board level decisions into operational reality. However, with rapid growth, there's been criticism by employees that this model is increasingly entrenching board domination of decision making and reducing autonomy of selected managers. Therefore, the leadership model is again being modified to accommodate more decision makers within a stratified organisational structure in order to avoid stifling initiatives and further alienating the board.

In terms of succession planning, the owners pride themselves on the existence of meritocracy at all levels of decision-making. Family businesses represent about 65-90% of businesses in various nations (Beckhard & Dyer, 1983). However, estimates show that only 30% of family businesses survive the transition to second generation and only 10% make it to the third generation (Beckhard & Dyer, 1983; Ward, 1987). Irrespective of rhetorical justification for succession (see excerpt of No 21 in Box 24), it is usually a subjective assessment of the incumbent on the selection of a successor based on perception. However, the effectiveness of succession can be assessed objectively through the performance of the organisation following succession. As demonstrated in the analysis of Bruntwood's ten years annual accounts, the organisation has continued to grow phenomenally over recent years under the new Chief Executive albeit with the guidance of the founding Chairman's "safe pair of hands".

When an incumbent is not willing to let go, succession may be delayed or commenced and aborted with potentially negative effects on the business as a whole and possibly family relationships (Pramodita et al, 2001). The transition may be endangered if the decisions of a successor are incessantly being monitored or even countermanded by a recalcitrant predecessor who retains controlling ownership and legitimate decision making powers (Lansberg, 1999). In Bruntwood such a managerial conundrum is absent with the Chairman rightly proud of his ability to step aside. There is little evidence of his influence on daily decision-making processes, with the exception of major financial controls, which are retained by him.

Hence within the organisation the ultimate source of power devolution remain with the Chairman and Chief executive. They are self-acclaimed meritocratic arbiters of collective interest, whose accumulated expertise (Darwin et al, 2000) and vested interest accords legitimate custodial prerogative; this rarefied authority is equally the source of patronage distribution. In a kaleidoscope of ideological incongruents, the directors express genuine interest in understanding and resolving employee deviance or recalcitrance within a harmonious framework that is a consensual resolution of issues in the absence of inherent conflict due to a commonality of purpose (reflective of the parsonian unitary non-zero sum power model – Parsons, 1956), as the teams and management cadres vie for mutual validation of their roles, their compromises constitute the countervailing balance symptomatic of pluralistic perspectives of power structuring. And lastly, the inequality of power distribution between the owners, the directors and employees whose fundamental interests are potentially different involve

organisational politicking and strategic defusing of potentially conflicting issues through avoidance.

Bruntwood's claim to a delayered management structure appears to be of greater symbolism than fact. Its basis is the team structuring as the primary engine of decision making with a network of direct and indirect communication connectivity with both the management cadre and directors. However, when this 'flatish' web of functional communication is compounded with human relations policies that discourages hierarchical labelling of power distribution and a fuzzy reward system, then it leads to the paradox of mindsets displayed by some of the interviewees. A paradox sustained by a stark juxtaposition of preconscious, unconscious and conscious dissonance within employee mindsets. They are told that the organisation runs a 'flat management structure' and each employee is an equally empowered member of their team irrespective of individualistic variations. Hence apart from broad classifications, there no hierarchical appellations attached to jobs and the reward system is advertised as a meritocratic one. However whilst an employee may buy-in into this ideology at the conscious level, engagements with the team members would increasingly strip away this naivety of equality. The preconscious mind becomes the cognitive framework to assess this conflict and its resolution lie in the unconscious layer. Distinctions are indeed based on qualifications (graduates versus non-graduates), job (professionals versus support workers), length of service (new versus old), gender (male versus female with attendant career implications regarding family commitments), knowledge (knowledge workers versus others), departments, locations, levels of responsibility, ownership etc. Within the fuzzy reward system, employees revert to various buoys (real or hazy) for evidence of status. This include real ones like calibre of company car available to employees, increased level of responsibility, authorisation level on the CMS or database networks and hazy ones like laptop/ computer model allocation, or seating positions (in the open planned office) etc.

However, despite the conflicts between the rhetorics of management metaphor and the variance of discerning (or resistant) mindsets, over many years the directors of Bruntwood have largely woven a myth that has sustained an overarching ideological unification of employees, leading to a profitable focus on selected goals.

Property Management & Investment Strategies:

Box 27.0

Document 'BEL Interviews [23 - Fin Dir]',

No. 23:

It is historical position, which we've adopted for reasons of accounting prudence. I mean there's been a lot of press reporting of accounting standards and degree of prudence in them over the last 18 months or so. The reason we've done it is simply precaution. At the end of he day, any money that you spend.... because we revalue our fixed assets unlike other companies that simply call their fixed assets cost in their books, Bruntwood revalues its assets and therefore if we spend money its either gonna go into the debit (which if you like is an accounting term for policing cost somewhere). Its either gonna go into the P&L account, or its gonna go into the balance sheet. But because the balance sheet is almost another income statement for us, because of the revaluation surplus there. Whichever way you look at it, if you spend money you're going to reduce net worth. So net worth is one of our key indicators. So what we've been trying to do is strike a balance between what we put through our P&L account and what we put through our balance sheet. And also... its often more tax efficient to put things through P&L account to get some tax relief. So the overriding reason is one of prudence. Some of these accounting policies that enable you to capitalise your interest cost and so on and so forth, they're all done on the basis that they're meant to be matching costs with revenue and in some senses they might give you more accurate picture, but we can always produce offline analyses required to look at specific returns on the properties, which we do - like the monthly development updates. But we have always adopted the policies that we have as matter of prudence really.

Document 'BEL Interviews [17 - MD]'

"....there are property companies that have values and very good corporate structures but tend to be in the services side....not particularly entrepreneurial. What we've got here is, the fact that we've got a large portfolio, we manage and run like a mature business and we've got the entrepreneurial deal making property development company as well. And its the need and recognition of the importance of the large portfolio, matured

business and the need to keep on running that as well as we can in order to generate the foundations for further development means we gonna keep running the business the way we do.....''

Document 'BEL Interviews [5 - Bld Staff]'

CYRIL:

And is your reason for agreeing with outsourcing the fact that the company's insufficiently staffed or because the specification of works are getting more complex and requires more skills?

NO. 5:

"Both. I don't think we have enough staff to cover the amount of work we have we have too much work and we couldn't possibly take on the amount of staff to cover that work it would be a huge cost but also the work has grown in complexity and a lot more skilful and a lot larger projects; so it does need more details and expert knowledge so it definitely does need outsourcing. I also think that we may still need to retain certain people to keep that control and personal touch as well"

Document 'BEL Interviews [9-Bld Dir]',

No.9:

In my view, I would subscribe to the view that we should setup a separate building company completely, just like Maple Grove and a few others. Because I do believe that a lot of the building surveyor's time, for example are getting involved in things that other people in the company could deal with.

On Benchmarking:

Document 'BEL Interviews [11- Biz Dir]',

NO. 11:

.... I mean I run the regional team and I run asset management. In asset management terms...one of the issues of Bruntwood is that there isn't an industry benchmark. Because in fact what we call asset management doesn't mean asset management somewhere else. Therefore there isn't a benchmark. What we do do internally is gauge it by more target setting. So we have targets for rent reviews, we have targets for lease renewals, we have targets for retention of income yeah? So in very practical terms they tend to be money or financial orientated targets. We have rent collection targets. **Box 28.0**

Those are our own benchmarks and again that we set our own standards. We set as you may well know we set budgets we work towards budgets we work around budgets we set latest best estimates. So we don't go out of our way to have anything but the things that matter to the business as our targets we have certain key indicators that are high level about the proportion of rent to profit etc and in the main those are we think those are the high level but ultimately they are channelled down because you can see those in action coming through. So I think the only thing we don't actually need are KPIs in Asset Management, what you do need to do is know that we're ahead of the game and have covered our workload because what more can you do. You can either do a rent review to a rent review level and to time or you don't if you don't, sorry but that's not good enough. You get all your notices out 6 months before you need to, you serve section 25 notices 12 months before the time.

Document 'BEL Interviews [9 - Bld Dir]',

Cyril:

How do you benchmark the performance level of your staff and yourself in execution of tasks, in terms of quality, in terms of cost, in terms of time to project delivery?

No.9:

In the real form, we don't. But I know because I speak to other people and other people speak to me. There's no organisation in this city that has as big a building team that undertake its projects as cost effectively as we do. Although in saying that though we never ever figure into the project cost, the human cost or value of Bruntwood people which is something that's wrong with it... because we might be one of the most inefficient in the area. But in cost psf terms of what we spend, I know that nobody can touch us.

Cyril:

Well, you've just mentioned when that variable is stripped of numerous things, its stripped of the human resource factor, its stripped of the cost of capital factor linked to time delivery. Even though the human resource factor is pretty good but takes forever to do, its got a cost factor in the terms of cost of capital and at the end of that, the final indices if then measured in terms of quality, in terms of time might be otherwise.

Box 29.0

No.9:   **Box 30.0**

"You are absolutely right. I never understood why the building dept, the building team of this company is shown as overhead on the P&L. For me they should all be down as part of capital costs. If we were working for network rail, any service infrastructure on network rail would be dealt with in the capital items and all the professional fees, all the technical human resource that went in would be down as capital item. Why we split it out here I don't know."

Cyril:

But have you ever thought of doing a sample on one or two big projects to really ask somebody to properly cost it. Cost the time spent in terms of human resource - a surveyor of a certain cadre when in the industry how much would he earn and cost factor and then see. Perhaps if you do that once, once a year that could help to benchmark how much matching up. I do respect the fact that you speak to a lot of people, but these are lot of people who are willing to speak to you. There are so many people out there who are not willing to speak to you, hence you may not know what they know. And benchmarking is an exercise against best practice and not against best practice of those you know

No.9:

"I completely agree with you"

Document 'BEL Interviews [11- Business Dir]',

"..... there's nothing comparative in the industry because no one's going to say how good they do collecting rent or necessarily there's no gauge to that. I mean no one does that. There are a bit more indicators out on service charge management but again the dynamics of our business is different to most other businesses so you don't have the customer service element in other people's service charge like we have. So you have to actually.....in most of the areas of our business make our own benchmarks up because there isn't a piece of paper you can pick up and say that's a benchmark and if there is I hope we're in the main best practice what I see. The reason I can say that quite conclusively is two-folds, one is I interview probably 20 Asset Managers

On Benchmarking (contd.):   Box 31.0

a year for various roles and secondly when we buy buildings we just see what a mess Asset Management people have made of those buildings and we're ten times better than most of them. So I feel comfortable plus the fact that we've got 2 leading edge lawyers who keep us up to date on current legislation so there's not many things I guess we're behind on. If anything the industry is still in the most of the sector of our businesses trying to catch up with us. The one thing we've got to do is keep setting our internal targets high enough to make sure they are going forward all the time and improving things. Its interesting we just have the best rent collection in the whole... since I've ever started in this company every one hit target so of course what we have do now we have to raise the barrel up again so I know for a fact talking to other people in my industry people don't collect rent as well we do that was after 2 weeks we hit over 90%. Other industries when we buy buildings they've got rent outstanding for 6 months so by definition you're better. When we talk to people about what we do they're amazed by some of the things we do. Most Asset Management teams don't do all these asset management in LSH doesn't include doing rent reviews. Asset Management in Donaldson doesn't include doing valuations, they have a separate department. So the all round ability is organisation of what we are doing we expect also in Asset Management to be the organisers of how the teams work and financials skills so I think from that point of view .....there's not a KPI we use, we use we use our own...."

CYRIL:

So how irrelevant would you then say the variables from IPD regarding rent turnover and rental growth, capital growth are to.........?

NO. 11:

"Not overly relevant because you don't know what that sample is made up of. Their sample is made up of blue-chip buildings in prime locations. Their funding in the north-west is only seventy million. Well that's where we're worth 400 million so how can that be any benchmark to us? The property in the south-east is central London but it's a different dynamic going on or 125 year leases with funds. So you've got to be very careful that the IPD could give you some

guidance give you some knowledge about what's going on and it gives you a little bit of..... but you've got to know what the sample is made up of. If that sample is made up of typical Bruntwood properties it's a different ball game but they're not. There's very few private property companies that go to IPD. But we're one of the first to go to IPD..."

No.11

"Yeah.... we joined IPD. I don't know if you knew that, but we have joined IPD and I just got the annual I'll let you see it. It is 50 pages long what's the point in 50 pages of information to me? I mean I deal with enough here anyway to have 50 pages of additional information is just mind blowing and you can't even summarise it either. So what they didn't do when we asked them about it they haven't got the bench marks that we need they haven't got bench marks for private property companies they haven't got bench marks for secondary property in regional locations. So I've asked them to look at that and when they get those I think we have some benchmarks that we can work to. Therefore yes I am open to more benchmarks but only if they give us some value. If they're not and they're benchmarks for benchmarks sake its irrelevant because you cant connect people into them. In terms of the regional business in terms of different benchmark I think one thing I've learnt over the two years I've been head of that business is we set ourselves some high strong business targets and as long as they connect back into the overall business to make sure your the company grows then that's as good as anything you can ask for....."

Box 32.0

Based on the fact that the company operates in a fairly unique manner from their competitors in commercial property management, it has found it difficult to secure realistic benchmarks for emulation. However, in addition to setting itself internal targets and budgets, these are constantly re-evaluated and adjusted based on best practice outside the industry or the directors' sense of rightness in order to achieve desired profitability. This disposition finds justification in the inability of benchmarking organisations like IPD to produce sufficiently realistic KPI's dealing with such versatile functions as the Bruntwood's version of asset and facilities management.

However, in this Researcher's view, the project management and building surveying arm of the business could establish viable benchmarks, through the BRE, RICS, RIBA, CIOB, BCO, BSI, ISO etc but does not do so in any conscious fashion currently. With the confidence born of beating the odds so many times, the company directors believe they run an efficient building-surveying arm. However, the top decision maker of this function (see excerpts of No 9 in Boxes 29& 30), who is a self-trained specialist in the field, agrees that there is a need for more benchmarking of this function and desires greater autonomy for his colleagues from team management distractions in order to ensure greater focus on their core competencies. That he has not effected this however may be an evidence of conscious conformity with norm, an affective and cognitive subjugation of mindsets or simply an autocratic repression of deviance at board level. However, with rapid growth and greater complexity many employees are increasingly agreeing that the scale of projects or jobs in the company require more outsourcing (39.1% agreed in the survey – though not exclusively regarding building surveying or project management), but the company's policy is to employ more people with diverse knowledge and know-how. Currently, industry diverse (or outsourced) roles like contract/ project management, planning supervision are combined with the client role in the company. Does the company have a life-cycle cost programmes for the various elements of their products? It appears not. It is then a puzzle on what economic basis their planned maintenance programmes, which are usually financed from service charge accounts, are based. In defence of the directors, architectural/planning works, Q.S, M&E and structural engineering works are all outsourced, with only those roles that are seen as more cosmetic in their service contribution to project realisation kept in-house. Based on the warranty period given by manufacturers or contractors for new elements (such as roof or windows), repair versus replacement schedules can be roughly built. The dilapidation of elements is however a function of utility, weathering characteristics, resistance to wear of components etc.

Therefore, the growth of both the company's financial and intellectual capital would continue to be its ultimate KPI – at least until changes in regulations, the occurrence of cathartic site incidences or evolution of their KM practices.

On Marketing & Branding :

Box 33.0

Document 'BEL Interviews [1- Finance]',

NO. 1:

"Yeah I think they do a good job branding"

Document 'BEL Interviews [18 CSM]',

No.18:

"Good God you couldn't expose it anymore, could you! Nearly everything is branded apart from the toilet papers (laughs). I think the branding of the company is pretty well appropriate, I believe in line with the direction of the company, which is to go with our company ethos, the whole thing. The thing I think where we're losing a little bit of credit, street credit is all this Commonwealth Games stuff still on our buildings is...we're really up for ridicule."

Document 'BEL Interviews [2 - Asset Mgr]',

NO. 2:

"I don't think anyone pays any attention to it apart from us"

NO. 2:

"Well possibly I suppose you know if you're in business circles in Manchester you're gonna know if you don't know the M.D personally you're gonna know who he is, it is whether it is more personality driven, I don't know. Putting the badge on buildings you know fair enough, there is a point in there...... but I think you ask the man in the street its pointless they'll know anyway wont they? But it does surprise me sometimes how employees of our tenants don't really know who or what we are - I mean Brentwood? Bruntwoods? and the list goes on and to think they actually walk past the sign everyday. I don't know probably for your movers and shakers in town it has worked"

Document 'BEL Interviews [23 - Fin Dir]'

"As far as how it would affect our external situations it is really a matter for us to think about... in a discussion I was having with the head of marketing, I was asking to what extent are we going to use these internal values externally, because once you start putting yourself on a pedestal; I guess we're already on a bit of pedestal, but to actually then be more specific these various 12 traits and values that we have is almost inviting customers if there' a problem to..... "

Cyril:

Box 34.0

...benchmark you against that?

No. 23:

"Yeah, yeah! To say to you, well Bruntwood says "Can Do" and you can't do it here can you? And they'll throw it back at you to a degree. So there's a thought process that has to be gone thorough to see if realistically and practically whether these things should be shared with the outside world or branded externally."

Document 'BEL Interviews [3 - Asset Mgr]',

"I think there's is now a Manchester wide recognition of Bruntwood I don't think there is a general public recognition of our values."

Document 'BEL Interviews [4 - Sales Surv]',

NO. 4:

"..... I'm always conscious of the fact that I see a lot of the values of the company as selling points of why people should come to us. So I do tend to concentrate on those because in a current economic climate the big thing of the moment is flexibility people don't want to be having institutional length leases hanging around their neck ..."

CYRIL:

Quick one, do you think the products are properly marketed and branded?

NO. 4:

"I think its improving. I don't think there used to be. I think we relied a bit on the company name carrying it. I think now we've set more realistic budgets in terms of the production of brochures, marketing boards, which we didn't previously do, advertising mail shots.... I think we're going the right way and we are now coming around to the idea that it is better to maybe go in straight away rather than wait there was very much a feeling of well if we don't produce a brochure for that one suite then it might let so we'll save a couple of thousands and then it didn't let, we had to spend it anyway and you'd lost 6 months rent. I think now its more proactive and I think Marketing guys meeting directly with the Heads of Sales has improved dramatically the way that that is working and I think you know for benefits are being seen"

Document 'BEL Interviews [5- Bld Staff]',

Box 35.0

NO. 5:

".... people say to me now who do you work for if I say I work for Bruntwoods people would know it. The brand has been pushed so much in the last you know 5-10 years that people are now aware, I think the marketing of Bruntwood has been fantastic because people know the name recognise the name and recognise the logo now and people I say to now know the company whereas ten years ago people never heard of Bruntwood and I think through things like the Commonwealth Games was an ideal opportunity for people to get to know us more. I think what we've done in the last few years in the market I wouldn't call it aggressive but I'd call it very....... it's very public, very in your face and everywhere you look we've took the opportunity with buildings or with surroundings of buildings, hoardings or anything else to publicise who or what we are and I think people are very aware of it now"

Document 'BEL Interviews [7 - Sales]',

NO. 7:

"I would tend to think that Bruntwoods sponsorship and charitable work and core values will add to the companies profitability in a small way. But I think there are certain things that we do that have nothing I think that things like the Royal Exchange adds very little to what we do. I think the way in which some of our charitable work is undertaken detracts if anything. I think the fact that somebody recently sent out an email asking for sponsorship and was told by our marketing department in no uncertain terms never to send out an email like that again because they were only supporting the Bruntwood charity and that was out of order well that doesn't add anything that just makes us look like draconian horrible people it's a very difficult one to answer because its so it.... as you say you can go through accounts you can go through whatever you want to, its I believe it's a matter of opinion and perception I don't think it adds a great deal I think the games added did add a great deal but I think a lot of our sponsorship adds very little"

Document 'BEL Interviews [15 - Mkt Mgr]',

What it means for us and having people think that everyone can do Marketing or HR is that sometimes it can be....thankless ! It s just something that would happen anyway rather than something that has taken a fair degree of specialist skills, a fair degree of experience. Typically, within the teams that we operate a lot of the things we do tends to be covert is perhaps the wrong word, but it happens under the surface and makes the contributions in a low-etched key type of way. People who are the real decision makers in the organisations are absolutely crystal clear about the contributions we make. The broader team structure is perhaps not.

"We support the theatre and all the cultural venues and musical venues in Manchester, because we have raised the profile of the City...... That's in our interest, we have too much money tied up here to see Manchester do anything other than get better."

"That's right, but there's also a certain amount of work that we do that is very purposely covert and in communication terms.....the govt of the country has clearly shown through the spin applied to the Iraq affair, they have themselves tied in a mess because of public perception, rightly or wrongly, that the govt is driven by spin in their communications. Now we are nothing like that in terms of sexing up documents, but the way we are portrayed in the media and perceived by the business community and public at large is not an accident. Our activities in that area are kept reasonably discreet because externally we are not interested in being perceived as a self-promoting organisation, it is more important to us to be perceived to attract publicity because of the type of work we're doing because of the activities is involved with. That is the external view. But internally, it is more important for employees to think that we secured our coverage on lettings, on refurbishments, on sales, on acquisitions and disposals on their own merit rather than how we're managing the media. The bottom line, if we didn't manage it we'll be a nondescript property company doing big things with a great reputation amongst close professional peers and perhaps a sector but with no one else. Two questions then, No 1 do we go high profile in communications like Alastair Campbell and Tory govt, no! No.2 do we quietly go about our business and have our internal people think that we get our coverage on the back of solely their works and let the business community that that company is really doing some quirky things and that's great, look at that, the papers always want to report them, yes!

Box 36.0

Offensive[i] marketing refers to activities aimed at increasing the size of an organisation's customer base and forming a basis for relationship development whilst *defensive* marketing refers to activities aimed at retaining existing customers and creating additional value through the development of the relationship (Johnson & Selnes, 2004).

In Bruntwood, the art of marketing and branding has been elevated to an economic tool aimed at not just the general public but also the existing customers, suppliers/consultants and employees. The sleekness of the marketing machine can be measured by the fairly unobtrusive manner the handful of employees tasked with these functions carryout their duties; though tactics employed could be reminiscent of machiavellian subterfuge. However, the greatest marketing tools of the company are its directors and employees. As a fairly unified body, they are formidable in the market in the sustenance of the Bruntwood image and product advertisement. Despite the expression of doubts on the economic value of some of the company's sponsorship programmes of art and culture, the critics seem to overlook the impacts of *defensive* marketing.

Internally, in addition to the network of information subsystems through which messages are instantaneously delivered to all employees on topical objectives of the directors, a magazine (called Bruntword) is produced every quarter and circulated amongst employees and customers. Chapman (2004)[ii] argued that whilst Marketers exploit the image of cheerful employees in the process of 'brand promise', only 22% of such employees believe their company consistently delivers its promises. He said the disparity between Marketing who design brand promises and HR who have to train employees to deliver this promise often accounts for the inadequacy of organisations to meet customer expectations. In Bruntwood, the same Director who heads Marketing also heads HR. From this perspective, there is a greater alliance between the functions of both departments in delivering the companies objectives. The practical delivery of the brand promise is however helped by the fact that 82.4% of employees believe that the customer focus of the company is appropriate, though the company has still got an uphill task of convincing 70% of its customers (since only 30% agree) that it is customer focussed.

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[i] No derogatory meaning is attached to this word, and is used only as a technical marketing terminology
[ii] Head of Communications in an international consultancy with clients amongst 400 of the 500 largest companies in the world

Branding many of the buildings in the portfolio is one of many *offensive marketing* strategies that the company proactively employs. Over many years, the usually conspicuously placed elliptical red logo of the company has come to personify their unique service standards and quality of products to the public.

Sponsorship of public events is undertaken for the fulfilment of their corporate social responsibility, subtle expansion of public awareness of the company's brand as well as a long-term economic strategy to help sustain the growth and patronage of a region where they have so much invested.

7.3.5. Information Management

Document 'BEL Interviews [22 - HR]'

CYRIL:

...has it helped to reduce the clutter?

NO. 22:

"Not really for us no because it's a bit of a difficult one isn't it. If you want to write a letter to complain about a manager, I imagine that you don't want that letter stored somewhere where any body can have access to it apart from us. So its very much about the security issues and maybe well get to the point where we've got that security within the system and we can use that detail but at the minute we're definitely not there. So although company key reports helps because it means we can put our self -filled forms on there or induction day presentations or whatever we can put things on and that very much helps us to say to people and say oh I haven't got that can you give me a holiday form....we can say its well its on company key reports and those kinds of things have helped. But I don't envisage ours being a paperless dept for a long time"

Document 'BEL Interviews [2 - Asset Mgr]',

NO. 2:

"Yeah they are and very important tools"

CYRIL:

Do you find it easy to cope with? Can you read your documents on screen better than in hard copies?

NO. 2:

"No not really find it quite irritating especially when you're looking at things such as leases.....Well you just sort of get on with it really, I will always check out the hard copy lease out of the drawer........ what I would tend to do is file or I print a copy or I stick it in the in-tray and file the scanned copy and then deal with the issue probably if I want to finally write on the letter itself and then when the issue is dead it goes in the bin where it's gets recycled"

Document 'BEL Interviews [23 - Fin Dir]'

"I think so. I think its help both the team and the individuals. I think perhaps for team work it's communication and people being able to use one common set of data and repository and certainly CMS and hopefully BTRS and other

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things we have done are helping people to all share one central source of information, rather than holding information and keeping it to themselves on their c: drives as it were. Yes, you mentioned company shared drive again, we need to get out of the habit of people filing things in their own little area when in fact people should be filing in the relevant area so other people can get to it."

Document 'BEL Interviews [4 - Sales Surv]',

NO. 4:

"I don't think its ever going to be as good as it can be. I think its better than it was and is moving in the right direction the overall CMS is basically I don't think ever going to the finished article because theres always more that it can do its making sure that within the realms of budgeting and you know realism that that continues to go forward and I see CMS as significant in terms of the way it affects the working the efficient way that it affects how I work anyway"

Document 'BEL Interviews [7 - Sales]',

NO. 7:

"Well I think in terms of the comparison with the previous system i.e pieces of paper and filing cabinet its a significant improvement in terms of accessibility of data. Its far from perfect because you can't just scan through looking for a piece of correspondent you have to exit it you have to enter it, exit it, enter into the next one.... whenever things get put on the files invariably Solicitors would send everything through under one title, so if you're undertaking a letting you'll have 50 pieces of corresponding which will all say the building name and the customer name and if you want to find a specific piece of correspondent you have to thrall through the lot or guess where it is there's all sorts of things that could improved but by and large its definitely..."

Box 38.0

Document 'BEL Interviews [9 - Bld Dir]',   **Box 39.0**

No.9:

"I've always believed from the day I started that I was always given the best tools to do the job. I think within the last couple of years, we moved off 100% performance in that area down to about 90% and it is most definitely down to the cost ..... I will like more licences to increase the softwares we've got. I like more/ better printers, I like bigger monitors, I like all sorts of things.... At the end of the day, it has a cost and we're throwing money at those. Its a bit like the NHS I suppose, that could never have enough money."

No.9:

"No! CMS wants a lot doing on it. It is not a very user friendly tool at all. To be honest with you I don't.... the brain has developed over millions of years and the way we relate to paper work in files is completely different to how we relate to paper on the screen. And I think the screen based one, when it was developed wasn't developed by...thats the file lets try and replicate that; because of the technological aspect of it. I mean I can't read anything on the screen. anything of any length, I have to take it off the screen"

Document 'BEL Interviews [17 - MD]',

"In terms of managing the clutter, yes it has. Though we've still got a long way to go to where we want to be. But I can assure that having been there before we have significantly improved the clutter. There are certain black spots in the organisation which still need to be dealt with for the clutter. Has it improved or made life easier? For somebody who is used to working one on one with a P.A, arguably not. Most P.A..... if you have the benefit of working with a personal assistant .....are significantly better than any computer system and probably work more comfortably with pieces of papers and large filing cabinets. However, it is easy for one to forget how often one went and couldn't find files one needed because somebody had it out and then it was very difficult to track it down and we had to send emails to everybody to say where is it? So it has probably had a positive effect on me still, although I still work with a P.A, I believe that people who've not got the benefit of a P.A it has been a very significant improvement"

Document 'BEL Interviews [19 - IT Mgr]',   **Box 40.0**

NO. 19:

"We were on Novell ... we had a Novell network then. You're talking... to set a p.c up or network a p.c in those 3.1 days was horrendous. Now you change a couple of boxes, click a couple of options and it goes on the network itself. So things like, setting up computers for any user would take all day because I'll have to go off site. Go to portland Tower and set them up..... other things, just simple printer problems... Not long after I started we implemented Microsoft mail. So its being involved in the planning and implementation and things like that. Setting up p.c anywhere so that the Chairman could dial in from home. There was no development, no strategy in those days......just like fire fighting. I won't even buy equipment, the FD would still do that. He was in charge of taking IT forward. We were very small and as we'd gone bigger then more office problems"

CYRIL:

In the last 9 years the company has evolved and grown from what it was when you joined to what it is today, having over 60 properties and over 300 million pounds in value. What has been the core driver of the IT strategy? Has the company simply been following hype in the industry or has there been any core thing which connects the growth from stand alone p.cs and Novell network gradually changing to a CMS based or Lotus based....?

NO. 19:

The driver primarily has been the people that have been involved here. People have got here generally good ideas. Even if something works, they're not afraid to replace it. We had an account system that we used for 15 yrs which worked perfectly well and would still have worked perfectly well. But we chose to invest £100,000 pounds in TRAMPS because it was better and would make us more efficient in our internal processes. Same with our correspondence management system (CMS) we didn't have one. We were happy in the way we worked but we could have worked better and it was a fluke meeting by one of the directors who saw Lotus Notes with a customer in Portland Tower and all of a sudden.... It happened to be a branch office for Lotus Note development company and they put a lot of those in Glasgow and they came to see us and we discussed solutions

were looking for - a paperless office! And it grew from there and now we're faced with a fantastic way of working and we're rigs ahead.....there's no other landlord that has the kind of IT system we have. But equally we're not at the top of our tree, we.... I still think we under invest in IT. The IT dept is too small, we perhaps get a good budget per year and I wouldn't say we needed more money put I think we could better invest out money. Because they don't tend to understand IT very well at board level. The current FD is great because he's interested. The Business Director didn't have the time and that's why the directorship for IT got changed. But equally the BD was interested but when I put proposals to him you can tell they are just kind of saying well if you think its right, we'll just buy it. When there are other things where we need now to replace 2 or 3 server and I'll normally have a hellish time getting that money from them."

No 19:
"It is not perfect by any means, but like I said it is a full time job, that database! To get it to a point where I would look at it and advise that it is fantastic.... It is a massive improvement on what we had, but I don't think it's the complete package just yet. I look at it and think I am proud to be part of it in a sad way, it is fantastic; but equally I look at it and you twist the correspondence down and you're left with correspondence where you're trying to find one thing....it could really do with a tidying up you know. But that isn't...again it is a flexible database and I know if we archived information off, CMS will look 10 times better. But it is getting the ball rolling, this archiving, it's a project on its own... Again it is a great idea but it is actually doing....if we archive correctly, CMS would be fantastic and on site or off site people are, I am sure working a hell of a lot better. There are people who are still carrying paper files around, it is a bit of a joke when I caught the Regional Head of Building doing it and he said that " this project is much better managed using paper you know"... We had a bit of a laugh and joke about it and I am sure he genuinely believes that but equally I look at the structure of CMS and I think its pretty much there and ....

CYRIL:
So would you say it has reduced clutter around the office?
No.19:
"Well, yes! I think we've archived close to 40 filing cabinets, so that's got to be a big yes."

Box 41.0

CYRIL: **Box 42.0**

And the likes of TRAMPS and Company Shared, would you ....

No.19:

"TRAMPS is great, I've had very little involvement with TRAMPS. Its really been with the Finance dept and seem to be working great, but as far as the network goes.... company shared that is the thing keeps me awake at night, because it is just in a terrible, terrible mess. Again, probably we were up at Portland Tower, which must be about 4yrs ago, we came up with a structure of company shared and when we put the structure together it was about 10 top level folders and like you've said maybe due to people's genuine ignorance or not quite knowing where to put things, its just become a clutter site and its dreadful."

No.19:

"We made big steps forward in the implementation of CMS and TRAMPS, 'cos TRAMPS is not only the Accountancy package but its also the property management package. Everything could go on that, lease renewal date.... Everything. As far as ...I would like to replace probably three servers which would quicken things up. We've renewed all the p.c estates now, there are only about half of the people on their old machines and a lot of the laptops are coming to an age when they need retiring. We're not there fully, there are some pretty large investments we need to make for me to sit here and say we provide people the facilities to create and store...."

An essential component of any knowledge management practice is how information is managed within the organisation. The accumulation of transactional data into a meaningful context provides information; and well managed information that is properly catalogued and structured, available and accessible by the right people and processes at the right time becomes knowledge (Bose, 2002).

In Bruntwood, the directors recognised a need for networking subsystems that would not only allow individuals to retrieve and acquire information but one that would also facilitate the development, sharing and utilisation of this information. Whilst the changing of an organisation's ICT would not necessarily lead to a change in the company's information or knowledge is culture, it nevertheless is an essential step

required for the provision of data and information in a form that can facilitate a sustainable organisational knowledge culture.

Amongst short term gains of installing an appropriate information network is the economic savings in space and cost - this led to about 40 cabinets being archived and the end of missing or misplacing files in addition to multiple access by knowledge workers to crucial information that would enable their efficient delivery of service.

Document 'BEL Interviews [23 - Fin Dir]',.   **Box 43.0**

CYRIL:

How did you go about sourcing the right network or software? The migration from Mayfair to TRAMPS did you test and check the market or did you choose TRAMPS because you'd used it before?

No.23:

"We went through a fairly rigorous selection procedure. We determined which were the best available accounting packages, we needed a straight forward accounting package that could do the trick. And also which was the property management accounting packages that could do what we wanted to do. And of course one of the decision point we came to is, when we knew we were going to have to replace the accounting package the question was should we also replace effectively what was the estate management or property management side of it at the same time. We agreed that we would do both in one go and have one seamless product. I am pleased that we went down that route because it has paid dividends. The actual process was relatively straight forward in that we produced a requirement document and sent round to a number of companies, we got information back from probably about 20 companies, short listed that down to about 10 who came in and gave us demonstrations, and then came to 2 clear sort of leaders if you like. And then it was then down to negotiation about price and functionality and so on before we then went with TRAMPS. We knew that TRAMPS was an industry wide package, One of the things we have found through experience is it is good to be involved in package fairly early on, and then you can be involved with the ongoing development of it."

Cyril:　　　　　　　　　　　　　　　　　　　　　　　**Box 44.0**

Have you found the fact that TRAMPS is independent of the general correspondence management (CMS) a bit of a hindrance? As it is..... you've still got independent payroll system, TRAMPS accounting system and then the general CMS..... What led to these independent systems?

No.23:

"The history of it was, at the time when we put TRAMPS in we got to a point where we agreed what we needed ...... in parallel to that the Business Director and one of the Asset Management Surveyors were looking at CMS. And we did identify right at the outset that there was going to be some duplication. I think we felt that because both could deliver quite a bit of business benefits, we could probably identify where the areas of duplication were. We knew that the two technologies could ultimately talk to one another. What we decided to do was to... because they were such great strategic systems that to try to create from word go, one fully integrated 'all singing all dancing solution' was going to delay things, add extra cost and risks to it. So it was a conscious decision at the time that we said lets go.....lets run both of these things in parallel but knowing that we could always draw them together at a later date, if that was required. Now 3 yrs on, I think we have established that there are problems with the fact that they are in two separate places. But they are used for fundamentally different things. I mean CMS is used to correspond with various contacts, our customers and suppliers and other people we deal with. Whereas TRAMPS is used to record financial information to send sales invoices out and therefore it doesn't have to have linkages of quite so many parties. A property manager for example at a company, TRAMPS doesn't really need to know who the property management representatives are of all our customers to be able to send invoices out. It will probably be a different place they send it to anyway. So I think we identified of about 6,000 records or so we have in CMS of business contacts the equivalent tables within TRAMPS has probably got about 2 to 2,500 entries. So we're a bit dubious at the moment as to whether the cost may outweigh the benefit of trying to merge those two systems together. Because TRAMPS is essentially a package solution, they are adding extra bells and whistles on to it depending where we are at uploading or downloading information on to it.

But essentially we cant get out of the fact that its a package solution and any change to the underlying structure of the database will have to go through a service bespoke changed and there will be quite a premium associated with that. Whereas CMS is a bespoke solution for Bruntwood albeit it is built using Lotus Notes, there is some amount of transparency to how its been done and we are not necessarily solely reliant on one vendor, but we are tightly and closely linked in with Trace who developed it and I think we have to thread carefully if we have to think of the utopian idea of having the two linked. There's plenty of other things we can do in terms of discipline around the storage of data and there could well be ways that we can actually compare the data in the two databases to identify problems but to actually have them linked to one another, we feel at the moment its going to be probably too costly and outweigh the business benefit. that was our initial conclusion, but we're are currently looking at how we can address this whole correspondence management area and utilise it better."

Document 'BEL Interviews [23 - Fin Dir]',

"I 've always believed that for any IT project to succeed it has to be driven by the users, by the IT people and the facilitators and suppliers. At the centre of it all has to be a clear business case and clear business need driven by the users who know where they are going and what the IT is going to deliver for them and not being pushed the other way round by the IT pushing the user. So I have to say in the specific examples you used there of communication with the buildings, it is very much one where having put in place pilot implementation of VPN (virtual private network) broadband access to our system. We're now looking to the customer service people to tell us whether they want us to roll it out further and how quickly the pace of change needs to be. ...... I am confident we can do and with a cut down version of BTRS that is salient to them and they will be able to pull off real time reports which will be great because we've always wanted to get to that point, I think we'll proceed and get to that point."

Box 45.0

The changes in the information systems in Bruntwood are people driven with the process phased to enable "bedding-in" of each system for a period before additional models or functions are added. All employees with access to these system and

286

subsystems were given basic trainings on how to use them. Despite this, only 59% of employees agree that the network makes their job more efficient (see Q.6 of employee survey). The significant number who are unable to agree would not be unconnected with the 42.7% who say they now receive a lot of information that is irrelevant to them in addition to an overwhelming majority (77%) who agree that the filing norm is inconsistent.

There are some data duplication in the architecture of information subsystems which do not seamlessly interact. The inconvenience or disadvantage of this is however viewed as insufficient to justify the expenditure required for convergence design.

Hence, in addition to the facilitation of efficient task delivery by employees, does the information management system impact on customer service? The outcome of the customer survey confirmed that 81% of customers find communications with the head-office easy and their queries are efficiently turned around.

7.3.6   Modelling of Bruntwood's Structural Capital

Though the Skandian model viewed structural capital as a combination of customer capital and organisational capital, in Bruntwood a realistic modelling of the existing management practice indicate that their customer capital is at par with the structural capital. The constituents of structural capital are the information capital and organisational capital. Here, the information subsystems fulfil a role, which subsists even when the process capital changes.

Hence in simplistic terms, structural capital in Bruntwood is the management of innovative or change processes and organisational culture for the purpose of achieving specified objectives with the enabling of these strategies by malleable information subsystems.

The interconnectivity of the sub-capitals are show with a model built with the Nvivo software in Fig H-2.

Fig H – 2:   Model of Bruntwood's Structural Capital

- Benchmarking
- Investor In People
- Outsourcing
- Property Mgt & Inv Strategies
- Market Awareness
- Process Capital
- Learning Organisation
- Kaizen
- Process Improvement & Change Mgt
- Organisational Capital
- Challenges & Constraints
- Structural Capital
- Innovation Capital
- The Bruntwood Way
- Culture Vs Individual Mindset
- Marketing & Branding
- Information Mgt
- Portfolio Connectivity & Networking
- Other Tools
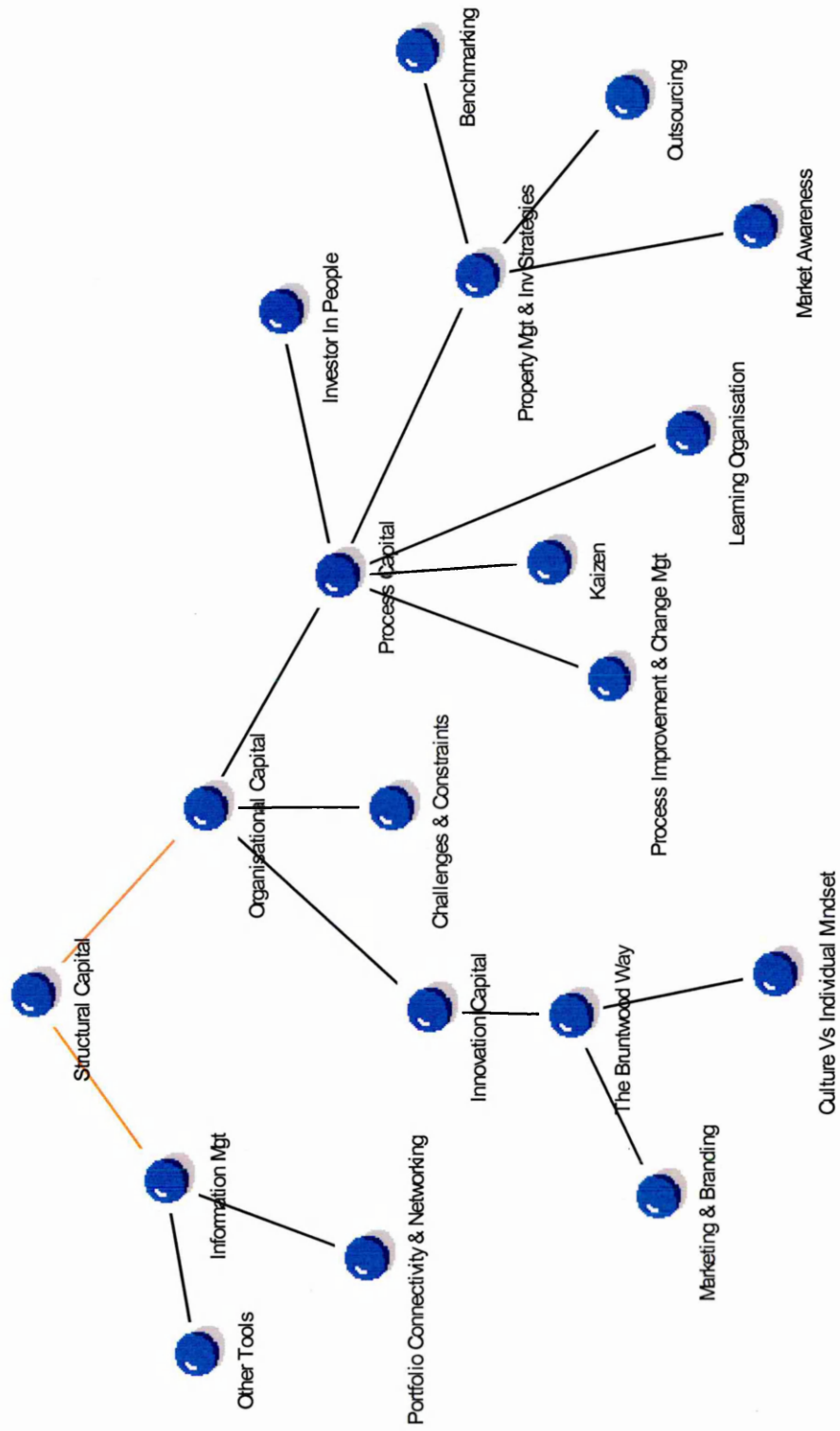
NB: This model has not been tested due to the exploratory nature of this study
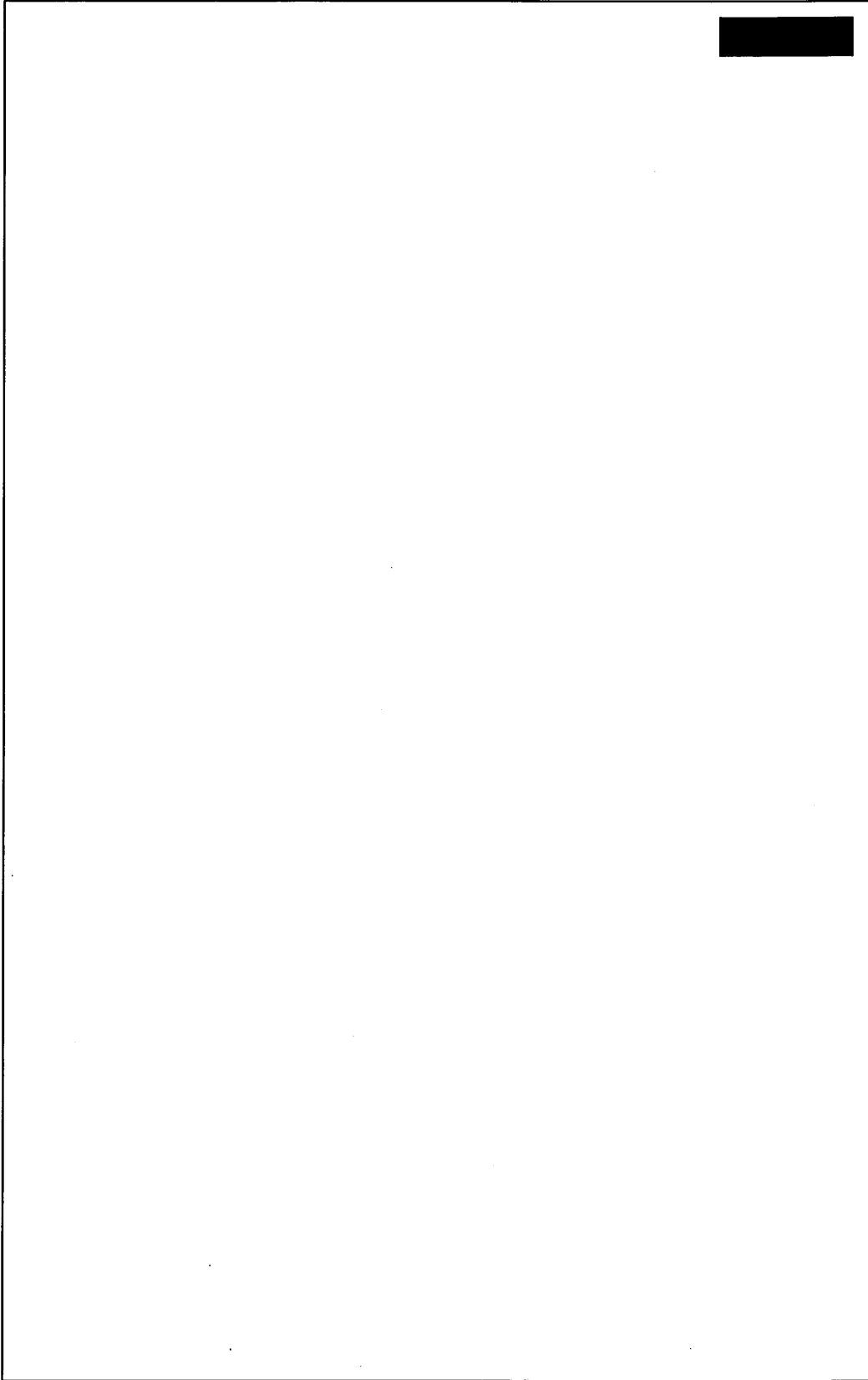
Box 47.0

No.9:

But who determines if the or whether the product is right or wrong? Its not the suppliers...

Cyril:

Its the people in the company......?

No.9:

Its Bruntwood people! So is comes down again to the individual. I could put two building surveyors on a job and you have both got different values about what is an acceptable level of finish and what isn't. And it doesn't matter what systems you have in place what standards you put in place, they will interpret it slightly differently.

Document 'BEL Interviews [4 – Sales Surv]',

NO. 4:

"Yeah I think it puts me in a better position than somebody who's working for a faceless landlord and they are just retained and don't have a good knowledge of the building. Or the landlord you know, the landlord might be one of 20 landlords that they are retained by and they might only have one building. I think the fact that I'm employed by the people that own the building gives people more of a level of comfort that they meet the first point of contact is the sale surveyor who is employed by Bruntwood direct employee and a good knowledge then they get them, they meet the customer manager who again is the Bruntwood employee not a faceless security guard who doesn't really care, hasn't necessarily had any training then they get passed over to asset management and during the fitout they may deal with the building surveyor all of which are you know their landlord that is what you know one turnkey service almost from speaking to moving in"

Document 'BEL Interviews [15 - Mkt Mgr]',   **Box 48.0**

No. 15:

The customer experience is altogether very very different. Lets think about how the customer's perception is shaped. We are not a consumer good, so I cant place adverts in the newspapers that Coca Cola can and everyone will read and look at it and think, Coca Cola is a great company, don't they have great products? That's an easy thing to do. But the perception of your world is shaped by the advert you place. I can't think of an easier thing to do. It not the way it happens for us, we are a service company. I can promise anything that I want in an advert but if I don't deliver on the ground, we are fake we are a fraud. We'll just disappoint people. Customer perception for us is shaped right at the very beginning what they knew about this at the point of making the enquiry. How we dealt with the sales process and negotiation process, the moving process, how we deal with every single day when they use the building, how we handle the complains, how we respond to the complains and feedbacks, how we make their experience of our building every single day better and better. How we knock the socks off every other competitor out there who provides office space. The values that we embrace as an organisation are almost not important to these people. What is important is how our values translate into provision of exceptional service. As a customer, I wouldn't care that we are all 'rounded people' with a 'long term attitude', what I want to see is a building looks the part when they come in, the lifts work, the lights, the windows open if I want them to, the heating works, I can see my Customer Service Managers smile at me in the morning, know my name, hand me a paper on my way in, arrange a parking for me, if I want some help at organising a taxi they take care of that for me - that's what I'll want!

The interviewees (Nos 9, 4 and 15) confirm here the transcendence of customer value within the organisational culture in Bruntwood; despite the variance in perspective (those who classify tenants separately from other classes of customers as meriting different attention) and application (those who utilise the ethos as sales and marketing tools as different from those who use it as standards for product design and service delivery).

Though consistent with the notion of deviant mindsets, there are employees (see excerpt of No 3 in Box 49) who eschew the occasional misbalance between customer service and brand marketing.

Document 'BEL Interviews [3 - Asset Mgr]'   **Box 49.0**

NO. 3:

Yeah, I mean there's always been this question hasn't there about how much contact you have with people that we.... I have a personal concern with ramming Bruntwood down peoples throats. At the end of the day I think we sometimes lose sight of what we are trying to do and we can be so hung up on aren't Bruntwood wonderful that we forget that all people want to do is occupy quality office space, that is run properly, that the heating works, that the lifts work, so all they're trying to do is run their business they couldn't care less whether Bruntwood donate 10% of their profits to charity or calling a customer or not they want to run a profitable business and they don't want to have to think about property. I think if the landlord is nice to them and we facilitate growth and make that process as pain-free as possible then why would we have to keep telling them how wonderful Bruntwood is all the time

Document 'BEL Interviews [7 – Sales]'

It doesn't necessarily set them apart because there's nothing to stop other people acting with integrity and respect to others and there are a lot of people there are a good few people out there who do act in accordance with the Bruntwood way and the Bruntwood core values that don't work for Bruntwood. Where we come up against people that don't have those values it sets us apart and it benefits us I think the fact that there's so many people because what helps in a sales situation is the fact that the customer service manager acts with those values, the building surveyor that they meet does, the Asset Manager does and there's a consistency of quality. Whereas they might go to another company and go to another building and they might think oh actually the chap that I met is a lovely chap but then they get the follow up service and they actually meet the onsite people and the onsite people are not as nice as the guy I met and then they speak to the person who actually deals with the service charge and think why should they be treating me like I'm a name on a sheet rather than a person or as a company or an organisation and I think it comes from the fact that we have at every level, we have quality people who do have that same common purpose that sets us apart but I don't think its an individual playing an individual I think it's the whole picture

What has the organisational values/practices contributed?   Box 50.0

Document 'BEL Interviews [21-Chairman]',

Oh no, I don't think there is any doubt about that. I believe this has contributed hugely to the success of the company and to the satisfaction of our employees ...and to our customer's understanding of what the organisation is all about

Document 'BEL Interviews [17 - MD]',

It has certainly attracted customers, yes. It is something which... that has only probably been the case for the last 3 or 4 years I would say. Its very much building ahead of steam now and we've started to see dividends and probably in the last 12 months particularly, increasingly we're seeing customers come to us direct and deal with us because of what we stand for in the organisation.

Document 'BEL Interviews [3 - Asset Mgr]'

NO. 3:

Yes, I think our sales team very much sell and the Asset Managers to existing companies customers sell Bruntwood as much as we sell office space

Document 'BEL Interviews [4 - Sales Surv]',

NO. 4:

Yes I think either people who are already existing customers I think it goes a long way in terms of them wanting to stay with us, in the way they are treated as customers you know the social side of things that we organise for customers

CYRIL:

So it does it contributes to their retention?

NO. 4:

Yes

Document 'BEL Interviews [2 - Asset Mgr]'

NO. 2:

It's hard to say

Document 'BEL Interviews [9 - Bld Dir]',   **Box 51.0**

NO. 9:

Honestly probably not....

CYRIL:

Some would say anyone who owns buildings, treat the buildings well and price them competitively will equally get customers.

NO. 9:

Yeah, business is business. I think any business man and business person looking to take space in Bruntwood is looking at it purely on commercial basis, rather than any soft values which may be packaged

CYRIL:

Perhaps in terms of the culture or relationship with the people they meet, you don't think that would influence their decision significantly?

NO. 9:

No ....I will be very surprised... I haven't been in a sale situation for office space for some years. But it will be an interesting exercise like a fly on the wall just to establish in any viewing or in any negotiation what proportion of the time is taken in discussing Bruntwood culture. I would suggest its very small

In the employee survey (Q.34), 75.1% confirm their opinion that the organisation's culture has given it a competitive advantage in the market. Here, different interviewees based on their job functions further define the nature of this advantage. From the Chairman who agrees on a holistic basis that it has contributed to the success of the company to the sales surveyor who views the advantage as glaring when compared with market rivals who lack motivating core values. Within this spectrum of views lie the materialists who consider values as important only in so far as it is reflected in quality of products with service delivery playing only a secondary role in the attraction and retention of customers in the portfolio.

To this Researcher, it is a mixture of both with neither constituting a meta-recipe without the other. The determination of the balance of these values is intricately intertwined with many other variant endogenous and exogenous factors.

The customer capital model of Bruntwood can be represented in a cyclical multidimensional model as shown in Fig H-3. A combination of the company's branding, product and service offerings serve as an attraction to potential customers (or ex-customers) in the market, the customer relationship management of the company swings into motion on exchange of contracts to develop a relationship with the customers, the level of satisfaction generated would influence the Customer retention level, this in turn will directly determine the company's turnover and net worth (financial capital). The net worth of the company is one of the variables that influence its credit worthiness (ability to attract funding) and expand its portfolio offerings in order to attract a wider mix of customers and covenant strength.
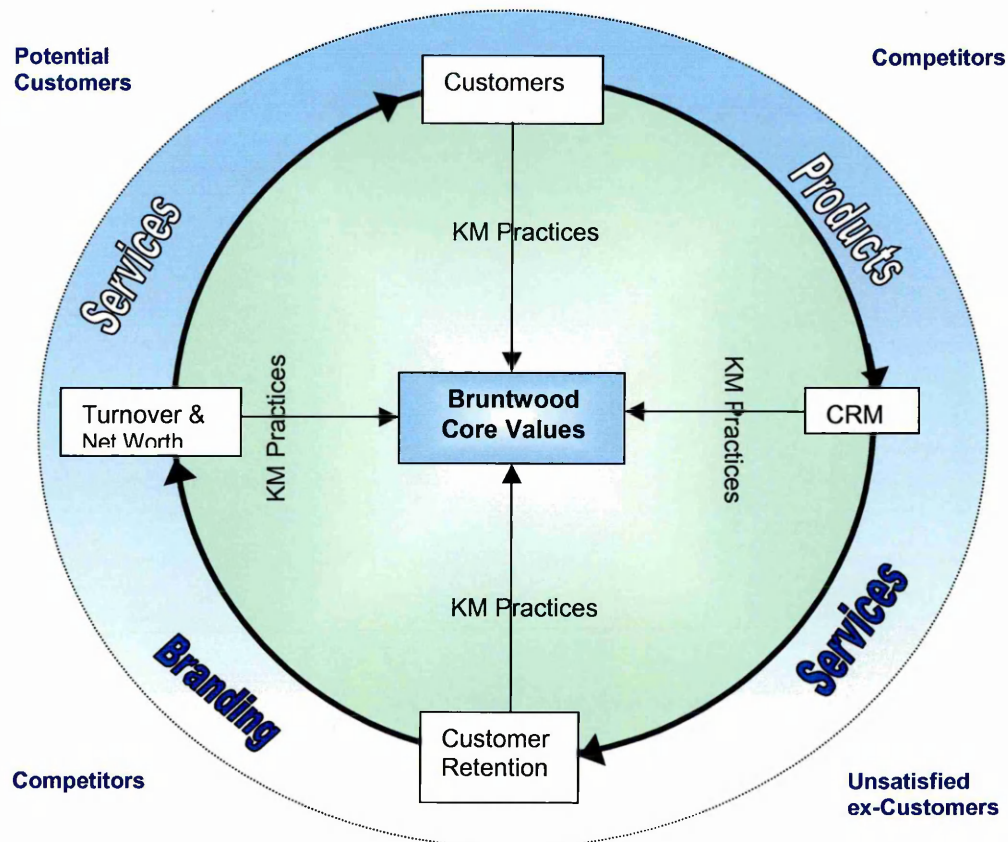
Fig H-3: Bruntwood Customer Capital

At the core of this process are the core values of the company, which is the basis of its knowledge management practices and internal processes. These values are exhibited and continuously reinforced as a multi-layered organisational culture .On the horizon of this cycle are Bruntwood's competitors waiting to poach dissatisfied customers or attract away potential customers with their own product/service offerings.

However, in a simpler two-dimensional model, the Customer Capital can be represented as the totality of the company's relationship with their customers in the short and long term. This capital is based on the attraction and retention of these customers, the existence of a relationship management process that would ensure an expected level of satisfaction.

NB: This model has not been tested due to
    the exploratory nature of this study

Customer Capital

Customer Relationship Management

Customer Attraction & Retention

Customer Satisfaction
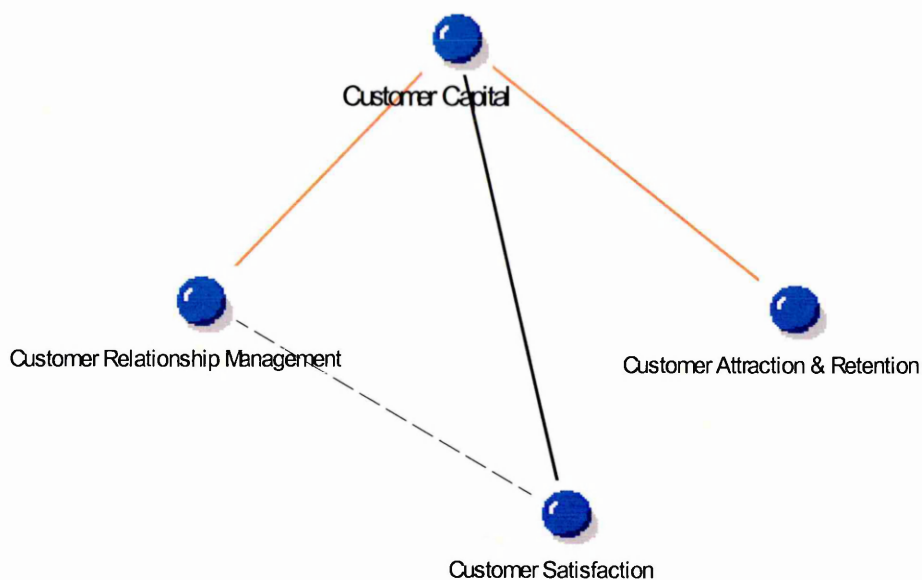
Fig H- 4:   Model of Bruntwood's Customer Capital

7.3.6   Human Capital

On Team Working: **Box 52.0**

Document 'BEL Interviews [1- Finance]',

I mean it depends on what everyone does. Kinda split individually but we always have this good relationship where we, you know, we all inter-link with each other both socially and in work it just makes it more pleasant, you've got a nice family environment that you're working in

Document 'BEL Interviews [10 - HR]',

I really like working in a team, its much better I think than working by yourself. You can share responsibilities, you can share issues, you can share responses to issues and I think with HR especially it can be quite a lonely role because you are often providing or being the person who's trying to be fair across the company and employees don't always see that. They say I've got one situation I want you dealing with and they don't see that actually we need to deal with from a company's point of view, because if we do x for you, we need to do x for someone else etc. So you need some kind of support when you're providing that and safeguards the company and provides the support. You know, you keep each other company and keep each other happy and be able to talk to each other if something goes wrong. Of course you share things that are happening in other departments.

Document 'BEL Interviews [15 - Mkt Mgr]',

No I think, people can often make the mistake of thinking its easier to work alone because they have to think of no one and nothing other than themselves, I think it is probably....those who think that will be a little bit inexperienced and little bit naïve. For me in marketing terms , I could not do that alone. Purely because of the volume and diversity of work. If I were to be working as a one man marketing function now, we'll be nowhere ......

Document 'BEL Interviews [17 - MD]'   Box 53 0

No in those days, Bruntwood didn't work in team formations at all......

.......First and foremost, the best way to keep in touch is to be down there doing it themselves with everybody else, so we've got that in the first instance.

Yeah, I do very little communication .....formal communication to the people, I get a lot of communication from the people to me. So its not a case of me telling people what to do and then going off and doing it. Its a case of them telling me what they are doing and giving me the opportunity then to comment on that. And that's the right way it should be.

Document 'BEL Interviews [9 - Bld Dir]',
Speaking personally, I like to have very close relationship with all of my team. I am a great people watcher and I can see changes in mood, changes in body languages and very, very well. And that's reinforced really by the one on one meeting that I have regularly with a lot of people..

.....If you are just talking about my city centre management team, in the early days tended to focus on me and its now starting to split apart a little bit. The only problem with that is, it is definitely slowing the process down. Because we're now getting into too much of management by committee kind of style.....

Document 'BEL Interviews [21-Chairman]',
That is not to say, and I do make this point quite strongly, that I do believe in over management by committee.

On Knowledge Transfer: Box 54.0

Document 'BEL Interviews [17 - MD]'

.... and the learning of the Directors outside of the industry, looking to best practice in other industries. Those are a host of people from different businesses sharing best practice from..... the leisure industry, the retail industry, manufacturing and you can pick things from other industries that are applicable to your business. So in the first instance, one is aware of different ways of conducting business from other businesses,

Document 'BEL Interviews [1- Finance]',

We kinda just discuss it as a group, in team meetings or even if you just sat at your computer and you find it you know because we sit quite close together, its just kinda discussed in that way

Document 'BEL Interviews [11- Business Dir]',

I expect my job is to make sure people have more knowledge than me across certain areas of the business where my knowledge comes in to play is more leadership and Management because ultimately I'm the only one actually doing my job at the moment. I need to bring someone up to be doing that role and we all have sort of people we're seeing that's the other area we should be doing is actually bringing people to do your role.

Document 'BEL Interviews [23 - Fin Dir]',

I was in a team environment ...... we had various teams within that, the various programmes of work within that and obviously i had a finance team which is much the same way .... we've set up the same thing here where finance managers effectively support the Directors. .....we built out own BTRS. One of the real issue with it at the moment is that I am the only person that really knows the intricacies of exactly how it works. One of the Asset Management Surveyor has got some knowledge but I do believe that I need to improve and bring somebody in on it.

Document 'BEL Interviews [9 - Bld Dir]'

Everything. I personally share everything because to me, its not what you know but its how you use it. I could tip out everything from my brain on to this table now and it will all be on the table and everybody could say that's that but they wont have a clue how then to use that to their best advantage

On Knowledge Workers:

Box 55.0

Document 'BEL Interviews [11- Business Dir]',

...I now expect a group of my people as we grow to have far more knowledge than I do about issues. For example we have an expert on telecommunications the days are gone where I need to understand what he's talking about because he deals with it. I come to him if I've got an issue and that's how it should also develop because as the company grows if you have these senses of knowledge in a small group of people its very very dangerous because the company cant grow. What we've got to do our job now is not only passing knowledge as far as we can do it but also is to develop those people to go and get the knowledge that is better than your knowledge.

Document 'BEL Interviews [21-Chairman]'

At the end of the day, a company needs leadership and that leadership gets provided by a few people within the organisation. Successful companies are I believe those companies run by entrepreneurs and there is a limited supply of entrepreneurs around and one should accept the fact that those entrepreneurs are generally going to have the best ideas and those are going to be the big ideas that are going to drive the organisation forward. And to a large extent the rest of the organisation is working round those ideas and making those ideas work... And that is how it operates. That is how this company operates.

Document 'BEL Interviews [22- HR]',

Yeah! Yeah! I still think there should be recognition for people who've achieved an RICS but when you look at the guys who have become successful here CYRIL ..... some people out there and I'll not name any names who had the lowest degree degrees and who haven't achieved an RICS yet have been fantastic in the company because they've got people skills they've got other skills but there should be recognition for working towards RICS there should be recognition for these different areas but I don't agree that you have a letter after your name and therefore become a big success..... because there's a whole other intangible things that make a difference

On Know- how: Box 56.0

Document 'BEL Interviews [1- Finance]'

We do tend to do quite a lot of job share where certain people sit with certain people..... and learn exactly what they do so...... if people are off we'd always have cover in all areas

Document 'BEL Interviews [17 CSM]',

Yes absolutely and I still get inundated on a daily basis with phone calls from guys out on the grounds saying tell me what to do. Because you impart what you can, in the constraints of time that you're given. And there comes a time that you start to back off and you back off and you back off, and the situation they might be trying to deal with has never occurred in that period. But you're always available.

Document 'BEL Interviews [5- Bld Staff]'.

CYRIL:

So you haven't had to pass on lessons from your activities to the company?

NO. 5:

No not really I've always been in situations you know where my part of the role has been to do, to get in and to do and to make good and to clean or to make it happen

On Knowledge Conversion:

Document 'BEL Interviews [1- Finance]',

CYRIL:

.... Now the question is, if information and knowledge gives somebody an advantage why would they want to share it and reduce that advantage

NO. 1:

Because maybe they've gain from other peoples knowledge and so everyone would be on a par basically won't they? But then you wouldn't get anywhere if you don't share and you kept it to yourself would you? Maybe?

Document 'BEL Interviews [10 - HR]',   **Box 57.0**

From a personal point of view, well because you can grow and you can develop and it helps everybody. You know if I don't share information that I have in my dept my team members wont be able act effectively because they wont know what I was doing, I could be doing off and allowing people to do x, y and z or not allowing them and they will be doing something completely so its about having that uniformity of information and being able to say we all know where we're coming from because we know this is what we know and to be able to develop from there really.

Document 'BEL Interviews [11- Business Dir]',

NO. 11:

That's right but well the two things we do now is we do have systems. We have CMS, which ultimately catches the documentary record of the past, there are papers from which you can read if you want to. Now that is actually quite an advantage because when for the last...prior to CMS most people weren't given the file to read and that's it and that sometimes wasn't always relevant because we weren't particularly conscious of writing file notes or any thing like that. So you've got to do that in a bit of a system to say people should abide by certain standards as you're growing otherwise that file note that's missing is key. In terms of actually knowledge passing through from what we've learnt then I think what yeah coming from and it happens here is that it is more in a either a sort of meeting or social environment of these the history comes through. It happens when we are inducting people to a point, it happens when we're having departmental meetings it happens when I'm talking to people about issues they've got and how we dealt with it. The only issue I have is that many of those issues whilst they seem similar are actually new anyway. Because the recession today is different from the recession 10 years ago because there's different dynamics involved and there's different issues in the world involved we didn't have globalisation. I tell the story at Bruntwood that when I joined we actually acquired a fax machine and only the Chairman could use the fax machine and the Secretary wouldn't let anyone get near it. Now you tell that story to graduates today they don't even know what a fax machine is they don't use one anymore. Now that's how quick technology changes but that was..... we used it you know when I started there at Bruntwood we used to get letters and you responded by letter so the speed of communication was three times slower than it is today.

So the people today yes you can use that experience and you use analogy to explain things but history is important but its also can be irrelevant at times because today's issues are learning all I've got is a few more grey hairs than somebody else (or no hairs than anybody else...... I don't deal with things operationally day to day I actually don't know I'm not right up to date with every bit of landlord and tenant legislation for instance. I expect at least two or three of my people to be so because three of them are doing their APC. So they should know so I go to them so what's all this about. We rely on more experts shall we say to give us the modern thing. So I think we expect a role now as a manager shall we say maybe not much leadership as a manager is to encourage your other people to develop their knowledge you send them on the right path with the knowledge you have in your own background on the right course but their path to get there may be totally different to where you got there they've got to go and find out anyway. But our job I think is therefore to give em a direction of which to go long as they can sort of see where that is ...... Therefore you constantly moving forward and when it comes down to actual sort of history of knowledge then yes I do play on that a bit I use it as a reference point to something I've done its also a connection to feel that these people aren't the first to have gone through something because you usually use your knowledge when someone's made a mistake and those people feel so bad about making a mistake they think it's the end of the world and its their problem. I'm quite happy to regale to them that the mistakes M.D myself and Building Director all made which cost the company proportionally far more than the mistake they're making. All of us in our own different ways cost the company ½ a million pounds of value in our different ways. That is important that our people know that so they don't feel that they can't make mistakes and that is part of knowledge management as well you've got to allow people to make mistakes

Box 58.0

Document 'BEL Interviews [23 - Fin Dir]'No.23:   **Box 59.0**

I think there are two elements as you've pointed really to knowledge. The one is the general overview knowledge sharing, little snippets of information about what is going on. We aim within our Dept to achieve that by having two weekly team meetings which we've beefed up recently to the point that they are interesting events to which people might look forward to....... The other thing is if information comes through that is relevant to say City Centre, Regional or New Acquisition side of things; then I will identify this and if the Finance Manager in those areas haven't been copied for whatever reason on something that has happened, then I would often forward things on to them for their information so that they are kept in the loop and knowledgeable about what is going on. So there has to be a certain amount of that where people have been kept in the loop. Its tempered by situations where people copy emails to the world and contribute to information overload and covering their backs by sending strings of emails round. As far as the more specific areas of over reliance on certain individuals who've got knowledge. That is something that is a management task, its part of our job to make sure that that is not the case..... ..... But that I see is a simple day to day management task to make sure to make sure that the company is not over reliant on individuals. There are plenty of other areas where we have spread the knowledge quite significantly, we've got numerous people that can deal with the day to day banking side, we rotate people round, we're getting a couple of more people involved in certain areas of the payroll to get some knowledge there. So all areas we deal with in finance, we do rotate people and they all do different things... about 6-9 months in getting to know different areas. So we're constantly looking at that.

Document 'BEL Interviews [9 - Bld Dir]',

In an ideal world, we would. And over the years where a project has gone particularly badly (and unfortunately we have concentrated on the negative aspects of projects) we have not sat down and had a post mortem analyses of what went wrong. You're quite right we should really do that with every large projects not to only analyse the negative aspects but also to analyse where it went well. But with time constraint and commercial pressures we don't ever do that. Which is regrettable really because we could've undoubtedly saved time and money in the future.

On Tacit & Explicit Knowledge: Box 60.0

Document 'BEL Interviews [10 - HR]',

It's a difficult one isn't it because although there is no formal system set up to deal with that tacit knowledge, I would say that we do share that across the department because the department that we work its very important to know those things for example the different characteristics of the management teams and how people respond to various different issues and that kind of information is really important and I think the way that we share it within the department is via communication sitting down we have weekly meetings, we sit down and talk about new things when they are coming up. .....but in saying all that as much as we communicate and say yeah in 5 years down the line if I'm not here will the new staff pass that on I don't know I hope she would because thats the kind of environment we work in but we don't have the formal means of capturing this knowledge

Document 'BEL Interviews [11- Business Dir]', .

"..... having come from BR I've put in place........ many of the systems we operate today ...... Not necessarily too consciously, but it just came naturally that's the way to do it because particularly Asset Management is a process driven...... part of it is process driven anyway.... I've always been a bedrock of organisation so that's something I've developed naturally I haven't got any further to learn about it I've just worked it."

Document 'BEL Interviews [13 CSM]',

"Yeah they can get it from head office and they would look through the premises log in this particular site everybody all my on site staff we meet we discuss we decide together the best way forward or what we've learnt from the day that we should take forward not do again do differently the next day and we do this quite often here and they are aware of everything that's going on around the site so if I was to drop dead tonight I would have no fears ...(Cyril: Pls don't! laughs) .... but the guys here would be able to carry on"

Document 'BEL Interviews [13 CSM]',   **Box 61.0**

CYRIL:

"That's interesting. Now two things I'd like to take you back on you mentioned logging in and your knowledge on customers and issues of the day, does that include opinions on what you think of a customer or what your gut feelings and your knowledge of the habits of your customer are which are perhaps the salient knowledge that a new CSM will need to know ....."

NO. 13:

No it doesn't because that is a talent of a customer service manager is to be able to assess how to speak to different people

CYRIL:

Yeah but if he's just new and perhaps a bit of inside information on that issue...

NO. 13:

But he should still have that talent if he's in the job of customer service you need to have that talent ... and it's a gut feeling and its something you've really got to have. I understand where you are coming from but I wouldn't like to write down anything that this customer is a real pain in the butt you have to really watch it with him, but I know where you're coming from....

Document 'BEL Interviews [15 - Mkt Mgr]',

No.15:

No, I will suspect, save for a few individuals if I were to disappear tomorrow, much of the thinking will disappear.

CYRIL:

So the tools and internal processes are largely failing to...?

No.15:   **Box 62.0**

What tools? One of the points you touched on earlier on is the disadvantage of working within a property environment where I don't perhaps have the technical know-how and qualifications of colleagues and likewise. This business is a property business, the tools that exist in the main to share knowledge and expertise exist mainly in the realms of the core property people, the Surveyors, the Asset managers, Bld Surveyor... these are the people who typically share knowledge and.....Everyone has the opportunity to present the Seminars on what they do, we haven't taken the opportunity to do that perhaps that is something we should take on board...

CYRIL:

You haven't done that, so perhaps with the exception of 1 or 2 people in your team, the knowledge if what you're doing remains within just the few of you?

No.15:

Correct

Document 'BEL Interviews [2 - Asset Mgr]',

NO. 2:

I think to do that if youre gonna get....... if you want people to do that your reward structure has gotta be set up so that rewards are not based on an individual using his or her knowledge or skills to achieve a certain goal. Say you had a manager, say you had someone who is like a sales manager, just an example, and they've been doing sales, got into a position in management and they'll think I'm gonna keep doing sales but I'm gonna keep doing big deals, I'm just gonna do that and I'm not gonna let anyone else do em, I'm going to deal with important customers and clients and what have you. To me its bad management, you've been put in that position because you know your job inside out but you're there to facilitate other people being as good as you are. But as long as the rewards for that Manager after doing deals and not running a successful team doing the deals himself what is the motivation to change there isn't any

Document 'BEL Interviews [22 - HR]',   **Box 63.0**

NO. 22:

"That is that part and parcel of HR function. Because an HR person could work for several different organisations and be a product to the people but as you correctly identified unless you have a bit of knowledge about the product and in this case the building segment of it, you're not really taken seriously. Which really.... knowing that information helps me do my job but does it make me a better HR person it doesn't. But the perception from their point of view is it does and I guess the biggest challenge I've come across is that people always believe they can do HR.... which I don't believe at all and I've only had three jobs in my whole life and it's something that I always take on board would be a challenge but I'm always aware that it would be there and it's for me it proves nothing. And it's for me to gain as much knowledge as I can in the other parts of the business so that I can be taken seriously"

Document 'BEL Interviews [4 - Sales Surv]',

NO. 4:

"No they haven't been put down on paper the way I see them being transferred at the moment is through the mentor programme that when I mentor somebody, I will run them through as part of their working and how they work the way I perceive and I think people work slightly differently they all get to the same end goal. But not necessarily the same rule a lot of it comes down to personal preferences you know I prefer emailing people a lot of people prefer telephoning or writing I'll use email all the time that doesn't suit everybody but at the end of the day the goal is the same that you get you know you establish concept through one medium or another"

Document 'BEL Interviews [17 CSM]',

No.18:

"We have a morning meeting between all of us all together. We have an end of week meeting - by saying meeting.... we just get together at the reception desk. Where issues, problems and new policies are talked through. Any new policy that comes down from a dept or the company generally is always printed out in a sort of folder on the desk. So anybody at anytime can refer back to it."

Document 'BEL Interviews [19 - IT Mgr]',	Box 64.0

NO. 19:

"Indeed! We have two existing user groups. We have an IT Advance Strategy Group, we meet and discuss anything actually related, just IT related. It could be CMS, it could be Lotus it could be p.c whatever. I also have another group, smaller group. Its about 10 which is an Advance CMS User Group - like the Administrators and P.As that kind of thing. Where we share best knowledge, come up with any ideas for development and they drive the development of CMS. So they are two primary teams really"

NO. 19:

".....I think it requires a group, it requires feedback. My idea of perfect infrastructure will be different from yours. And I need to know, because we're too big now. You see in the good old days you make a cup of tea for the whole office one tray and you get to meet people and they'll say....oh this is great, how do you get on with your mail? You can get that kind of chit-chat when you're in the kitchen. Its too big now, too many opinions, different departments, each one having different IT needs. The feedback we get from those groups is vital."

Document 'BEL Interviews [3 - Asset Mgr]'

I think Bruntwood environment doesn't lend itself to loads of discussion databases I think if you had some people down in London some people in Cardiff some people in Scotland and you were trying to work on a project and you wanted to bounce ideas around, great. In Bruntwood you stand up and walk over to the person you want to talk to, you talk to them or you say X and Y have you got a minute because you are working in your teams and you sit in your teams you're not going to post messages when its easy to say right okay we need to get the toilets ordered today right lets have half an hour in the meeting room lets thrash out all the ideas and lets sort it out. That's more a willingness to deal with things there and then move things forward quickly you're not caught up in unnecessary paperwork or bureaucracy or I mean Bruntwood hate report writing. I mean, I don't think I probably....People new to the company I think are like, so you don't want to report..... and you're like no I want half a side on bullet points. I mean here you couldn't care less about reading a report about something I'd rather have five minutes with you to sort everything out so I think from that side I don't think that's a reflection of the use of lotus notes I think that is the environment of Bruntwood and the speed.....

Document 'BEL Interviews [19 - IT Mgr]',	Box 65.0

CYRIL:

...hence if somebody from outer space zaps you away from Bruntwood, its there going to be such a huge gap with everyone not knowing what next to do or who can perform some of the functions...

No. 19:

Unfortunately there probably would be. And this is by no means a blowing the trumpet session. Simply because my colleague and I almost now have to have a specialist area of knowledge because its difficult for us both to know everything we've got a network and infrastructure and we've got on top of that, we've got some pretty specialist pieces of kits like the CAD Machines and plotters and the printers. We've got offsite ADSL lines, we've got ISDN lines, we've got security building here, firewalls mailsweeper systems and that is before you consider Lotus Notes, TRAMPS, Microsoft Office etc. Hence we both have our specialist areas and do what we can as far as sharing knowledge goes. But I think if you were in that scenario like that its easy say if I go on holiday, he may struggle with Lotus Note related issues and equally if he goes on holiday, I will struggle if a customer service manager rings because I am not too sure what equipment he's got or if I can dial in to see what infrastructure is there. There is a hell of a lot documented when we can, because when we were recruiting for my colleague I went through it all with him and said this is a copy of our network, this is housing network pc, printers and that kind of stuff. Theirs is a certain amount, probably a small amount of that is probably outdated, because once he got to a point he can carry on with it a bit more (you see I got him straight out of college, he didn't really have any commercial experience and he holds his holds his own now. I would say I would tick the "could do better" box on this one. Although the effort was made, its probably not been maintained since then - more guilty at the moment.

The human capital in Bruntwood are its employees. This capital is attracted, developed and retained by a complex series of interwoven practices based on the organisational culture. The human resource management practice is one of the most significant of these processes and has as its tentacles the training of staff, periodic evaluation and motivational policies, which should not only attract new employees but retain existing ones.

Team working is the primary mode of task execution and a very strong characteristic required during recruitment. All employees work in teams (either product/service based teams or task related departmental teams). In the employee survey done 84.6% confirmed their satisfaction with the team formation. Though team decisions are usually by consensus, various individuals take up coordination roles without a permanent designate. Whilst this policy enables all employees to have the opportunity of leading and sharing responsibility for team decisions, in reality they are guided by objective targets set by management and influenced by those with the longest contact with the organisational culture. Of course in any group formation, the interplay of mindsets enables dominating characters to have sway in situations requiring compromises (or less confident characters to avoid taking responsibilities by avoiding decision making). Some interviewees also indicated situations where employees in positions of responsibility monopolises valuable instructions or tasks in order to ensure a higher level of achievement (see excerpt of No 2 in box 62).

In spite of these potential constraints, decision-making are reasonably fast and validation can be sought from the management cadre or directors at anytime by any member of the teams – thus the flat management myth.

In order to circumvent the limitations of benchmarks in the sector, the directors of the company actively seek and acquire knowledge from best practice in other industries and examples of these are the kaizen initiative, quality management in projects etc. Knowledge transfer between employees is encouraged and the information network enables this to take place easily. The configuration of the lotus note/ CMS network actively facilitates knowledge sharing and transfer. When employees possess tacit knowledge, which are difficult or impossible to codify, the organisational culture encourages the conversion of this through mentoring practices, internal seminars, meetings (there is a strong culture of this), job sharing (in a few departments) and social interactions. In the survey 93.6% of employees are willing to share and transfer

their tacit knowledge. However, rarely does the company undertake after action reviews or project post-mortems. In the frenetic pace to deal with outstanding tasks, the teams move from one project to the next with little conscious inter-team transfer of tacit knowledge or know-how that the databases cannot capture. The impact of this practice is the re-invention of the wheel or active duplication of efforts by various teams until it comes to the attention of a joint director or manager. In the buildings, active logging of information is required from the customer service teams as a means capturing daily occurrence of events.

As the company grows, increasing specialisation of roles are allowed or created – thereby facilitating an increase in the supply of knowledge workers. No conscious effort is made to share the history of the organisational, which are not already embedded in current processes. This is because of the rapidly changing nature of both the property industry and what constitutes knowledge or know-how in this market. Retained consultants are expected to give seminars on emergent industry knowledge from time to time. Where the knowledge worker is not in the main stream property employees, the existing information network are not sufficiently configured to capture or deal with the requirements of such workers (e.g HR or marketing).

Task groups are also formed for the purpose of executing special tasks, embark on fact finding missions or determining a process improvement method.

Human Resource Management:

Box 66.0

Document 'BEL Interviews [10 - HR]

CYRIL:

How do you benchmark your activities in the dept? How do you determine if the level of illness of staff is higher than normal or if the level of turnover of staff is higher than normal or if you are sufficiently getting a good fit for the job recruitments?

NO. 22:

"Things that are..... you can look at from a quantitative point of view, illness from example every month we do reports on this is where we are upto and this is what we've got and we deal with issues, so its very much on a weekly basis and day to day basis that is dealt with. And it's the same with..."

CYRIL:

......But how do you benchmark it?

NO. 22:

"We benchmark it against external information, so we look at information from across private sectors and then we might look at specifically property companies what their sort of sickness levels are. Also we look at what our percentage days off for each person are against the national figures and then we'll look to do that. But in the same way, we deal with cases on individual basis so we keep on top of cases...."

CYRIL:

And what is your perception of this comparison of your level of turnover in the company compared to the industry or national average?

NO. 22:

"I mean I can't bring the figures to mind but my head of dept do know because we bring this to the board. But we don't have huge turnover of staff here."

Document 'BEL Interviews [10 - HR]',   **Box 67.0**

NO. 22:

"...When we interview we definitely look for people who do display skills of being flexible, being a team worker, being approachable, being you know .....not an overly serious, somebody who can do the work and get on in a team, who can provide whatever they are required to do but in a certain way. Its definitely that way around, yeah, 'who is a good fit' and that will be the person whom we'll always look for. If I was interviewing somebody I could tell....for example on the callout list for the CSTM because if they didn't want to be bothered when they are at home and that will be my first signs that maybe this person wont go the extra mile, maybe this person wont help us out if there is a flood in the toilet, so its definitely that sort of that way around."

CYRIL:

I see, so what would you then say if someone suggested that in seeking a good fit you equally then extradite or you ignore or choose not to employ those that could be seen as capable of rocking the boat who could turn out to be innovators who might change things and perhaps who might introduce new and better ways of doing things, if you always seek to establish those who would accept things as they are?

NO. 22:

" I don't think we always get people who are accepting as a characteristic, not at all I don't think we employ people who are willing to sit back and just get on with it. I think one of the things we look for in people is those people who can come with new ideas and work up new processes... don't think we forsake innovation for conformity."

CYRIL:

Interesting. Now would you then say the culture and the ethos of the company has contributed to attracting employees and retaining employees.

No.22:

"I think so, I'll like to think so. Whenever we interview people we always get very good feedback whether we offer jobs or not, say for example if we interview people through the agencies we always get good feedback about their feelings, the atmosphere for example when they come into the reception and the way they are greeted and the buzz around the reception, we always get really good feedback from that kind of perspective."

CYRIL:

...And does it contribute to retaining them, once employed?

315

NO. 22:

Box 68.0

"Yes, I think so. I think there's is a really group of people who have bonded really well in the company. I suppose maybe that's changed a little bit over the last year or so, with different graduates coming on board. I mean very much so when I joined, there was a very strong sort of team working ethics and a real strong friendship really around and I could think its nice because it gives the workplace that little sort of something extra. In the last year or so maybe we haven't got that as much as we did have, I don't know, I'll have to think about that..."

Document 'BEL Interviews [7 – Sales Manager]',

No. 7:

"Well I think that point comes down to the cliché. Is that person a Bruntwood person or not? I think when we look to recruit people we look to recruit people who upon interview we perceived to have integrity or we perceived to respect others views and we perceived to have a no nonsense outlook. I think a lot of the work is done in the recruitment process to try and find those people there are obviously those that come in and work for the company and they don't feel comfortable with the culture or Bruntwood don't feel comfortable with how they conduct themselves and either we try to alter that or they move on elsewhere...."

Document 'BEL Interviews [9 - Bld Dir]'

No. 9:

"When I interview any new employee of Bruntwood whether they be graduate or non-graduate people. I am not looking particularly at their technical qualification. If they have managed to go through the recruitment process and they've reached the stage of seating across the table from me, then their technical qualifications had got them to the table. But I have recruited people ...who didn't have any experience at all or the experience they had was very little; but they just had the right attitude.... I haven't quite reconciled in my own mind how much of the company's culture determines how good our customer service is. How much is down to the culture and how much is down to the individual? I think a greater proportion is down to the individual. The company's culture is important in recruiting the right individual, but once you've got the right individual then thats it! I don't think the company's values go through the individual to either the existing customer or prospective customer. I think what you see... the values hit the employees and then the employees interpret it and then pass it along in their dealings with customers...."

On Employee Appraisal & Development: **Box 69.0**

Document 'BEL Interviews [1- Finance]'

NO. 1:

"The appraisals... you can give your own opinion on where you want to go and what you want to do and what you've covered but as whether you actually get the opportunity to progress it's different....I cant say anything that has been done .... I mean you can sit down and talk to the mentors at the time, but most of it you kinda just get on....I'd say that you get left pretty much to sort it on your own....."

Document 'BEL Interviews [2 - Asset Mgr]',

"I seem to remember that they actually physically did an audit a couple of years back. I seem to remember rating myself on a variety of things like excel and what have you. I'm not sure whether there is always a willingness to develop people's skills I don't know whether is.... An impression that I get is people are quite defensive about their specific areas in roles and I'm not sure whether that comes out of the company not having proper sort of job titles people get a bit kinda possesive about their particular area and I think that there is perhaps a reluctance to develop other people's skills in a particular area"

NO. 2:

"Yeah I mean remuneration is only part of it really..... (turning to look around and whispering....*sure they can't hear every word I'm saying?).... remuneration is only part of it really job satisfaction to me is more important"*

Document 'BEL Interviews [5- Bld Staff]',

NO. 5:

"Not really no we've done little courses sort of towards the Bruntwood way and customer service which although apply to us as people, doesn't apply to our skills and our jobs I'd like to see more possibility of going on courses that actually reflect our jobs our work"

Document 'BEL Interviews [11- Business Dir]', .	Box 70.0

Well .....the overriding principle is you do this when you employ people it goes all the way to recruitment. Everyone we've employed have come to us on the understanding of our structure. That's one of the absolute givens on recruitment we say it everytime we employ somebody you're not particularly a professional shall we say, that if you're joining us this is what you're joining. That's why I believe our recruitment is good as a lot of people it needs improvement but ultimately if get your recruitment right and then by definition you've got the right people. What you've then got to justify is that most of them work on a team basis and that has an impact on their development as well. But the balance between team and individual development needs to be brought together which we do. And those people and I say going back to my analogy that there would be people who develop in different ways not everyone.... just because you have a title doesn't mean you're a good manager whereas some good managers can't sell... you know anything. I'm one of those people. I'm rubbish at sales. I never professed to be good at sales so I've never had a job in sales I started at Bruntwood doing sales and did make life mess a bit, but that'd be stupid what I am good at is I get paid to be director, manager, leader and be very good at asset management. .....we've one of the best teams of asset management, we've got one of the best sales team, we got one of the best building surveying team. So the culture is develop people for themselves and their individuality. What we got to do is spot talented people in their different environments and show them that we can develop them. Where most people, if asked, most people in this company... are they doing the same job as they were doing a year ago? A lot of them wouldn't say yes, they would be doing something different. It may not be the title that's different or the environment but in fact they're doing a different sorts of work. They might be doing something to assist somebody else or they've gained a new property. If you ask people have they developed over two years which I'm guessing is one of your questions, that I can't believe anyone can say they haven't because I know I've worked with them. I've worked where those people....I'm the one who is in the main in my side been pushing them along. So as long as we can offer that then I believe strongly that it's a company where everybody can grow..... So I think my philosophy is I always believe we can develop people. People grow at different rates of course as well. There are some people who we recognise them for the job they do and they're such a safe pair of hands that yes they wont necessarily go to the moon orbit, but they're never gonna let you down and the business for our size you need as many of those people as you do people flying through doing things. It's the balance you need"

On Directors/Management. Vs. Employee Interaction: **Box 71.0**

Document 'BEL Interviews [11- Business Dir]',

CYRIL:

So is that your conviction that the entire workforce are…. have a channel to directly communicate with directors

NO. 11:

"Absolutely yeah of course they do. I always leave it that anyone can speak to me at any time. No that may be a bit frightening for some people but I also manage all new graduates into the company in my team. I also manage those people who manage graduates so I don't think on that side you could say well thats only 50% of the business that's true but our buildings get me the Management team, other people in their team coming forward, you pick up issues you hear about things, you hear the sub-culture going on, you can't avoid the gossip, you know whether there's something not right with someone you know when there's something wrong with what's going on. The final thing is you can actually feel it if you worked here long enough you know when the office is hot you know when there's something's wrong you know when someone's not right because they don't communicate as well as they normally do to you or you can tell. So I think from that point of view we get enough feedback we also have a very big HR department, we have a big Customer Service department these things naturally should come through and I just don't believe they don't Cyril in that sense. Albeit we do also do the odd people survey as well but its very rare we get or we find something we are not overtly aware of. We might have taken our eye off the ball on something but its not something that's absolutely critical. We very rarely don't know about critical things"

CYRIL:

So if there are more than a few who don't think there are equal application of the Bruntwood values to all employees you wouldn't refute that…?

NO. 11:

"I mean there's two ways of looking at that. One is my initial reaction will be why do you think that? I'd like to know. I hope I'm open enough to understand why you believe in that. But I also recognise maybe of a …with a director's hat on again… is that we I'll say this very carefully and it is confidential!….. but obviously in any organisation you do have a few people who are not on your

culture and at times with the best of will in the world you need to deal with those people. Now those people in current legislation you can't just necessarily go and deal with. But they're are dangerous people. And if you go through enough to understand all this.... then those people sometimes may be the 'terrorists' in your organisation and they are the one people you need to get out because they cause difficulties for other people. And as much as I'm people orientated I also recognise it'd be naïve to think that a company of our size doesn't have some people who've gone off the rails and the best place for them is somewhere else. Where that works and has worked is that a few people have left us...but its been such a relief when its come to say you're probably not right for Bruntwood and in fact shaken their hands and says thank goodness they've come to that conclusion. They haven't been able to deal with themselves. So as of course its as much an obligation to make sure those people don't impact on the people who are doing well because you spend most of your life in management dealing with those people who aren't right. And you take your eyes off the ball for people who are right. That's the majority of people I believe in this company, because we've employed them and we should have got our recruitment right the vast majority of people are generally happy. If they're not I hope they are being either talked to or they are having an open discussion why they're not"   **Box 72.0**

Document 'BEL Interviews [3 - Asset Mgr]',

NO. 3:

"I don't think there's a forum to give that feedback to management and directors. It happens to one of the members of the Management cadre in the pub because he is one of those you can say what you want to. Whether he then takes it back any further I have no idea but I don't think there is a culture where you can say hang on a minute Director I don't think you've acted very fairly there. I mean I do and it gets me into trouble."

Document 'BEL Interviews [7 - Sales]',

NO. 7:

It yeah its difficult to generalise. I.... personally as myself I feel there's a channel for me to vent frustrations to a degree and to discuss my personal thoughts and feelings about the way the company's going because if I should I choose to I can speak to MD should I choose to I can discuss with the Building Director. But I personally feel there are certain areas I cant discuss because it would be

Box 73.0

controversial for me to raise my views whether those views are correct or incorrect I think there is a degree of reticence to listen to certain view points and to take on board ways in which individuals feel the company could improve"

CYRIL:

There is a degree of reticence or you perceive there would be?

NO. 7:

"My judgement through knowing the people involved seeing how they are and how they have received other people putting forward their views and how that has been received, would indicate to me that it would be unwise for me to be as frank as I would like to be with them. In terms of people at work with me, I would hope I am an approachable person..."

Document 'BEL Interviews [9 – Bld Director]',

Cyril:

As the company grows, you're going to be unable to do that, so unless there's a clear channel, a two-way communication between the top management cadres and Directors and the very loose ends of the company or outposts, you would loose that touch. And I have heard this accusation that the board has lost that touch......

No.9:

".......I would agree with all of that, as we've already discussed. I think what we need in the company when... where we have had desperate problems probably in the last few years is that quite often if a member of staff have something that they want to say and unburden themselves, it is very difficult to do so to their immediate line Manager. Some people are quite happy to do that but other people are not and we have haven't had a third party resource, such as HR dept, that have sufficiently the respect of the vast majority of the employees where that could happen. Hence as a senior Manager, if somebody is not telling me something directly, I'll like to get it via a third party that they trust and the only third party that we have really might be HR and it just hasn't worked..... I just find it incredibly hard to understand why... If somebody sat down and really genuinely feel I've got a problem here, we would want to move heaven and earth to change it."

The human resource management practices of Bruntwood have been slated by the employees in the survey with 41% suggesting that it is usually not guided by the company ethos and another 58.2% confirming that different employees are dealt with according to different standards. Of all policies or practices in the company, considering that these are the ones that are personally felt by employees, the potential impact on turnover could be negative.

Though one of the HR interviewees (see excerpt of No 22 in Box 66) claimed that the company's turnover is not 'huge', records indicate an average turnover of 74 employees in the last 3 years, which would mean 45-40% of total employees. However, the Researcher was unable to distinguish between the proportion of floating workers, and auxiliary workers in this statistic compared to permanent employees. The records simply show that the greater number of turnover comes from the building and customer service departments.

In terms of recruitment, there is a general consensus that individuals who possess many of the company's values are targeted. Whilst this may provide sustenance of the cultural values, it runs the risk of accumulating conformists to the disadvantage of innovators or entrepreneurs that any organisation requires in order to grow and innovate. On the plus side, this commonality of values helps the bonding process of new recruits and minimises the degree of change to be achieved in new employees through retraining.

Despite achieving an investor in people status, Bruntwood's employee appraisal process and development programme is generally inadequate. The appraisal exercise is expected to measure employees' achievements and competencies on three different levels – company's objectives, departmental objectives and personal objectives. Most interviewees confirmed that the appraisal has become a box ticking exercise, largely irrelevant to their needs and rarely ever followed up for the purpose of further training and development.

Another bear bug of many employees is their inability to foresee an objective career progression and development opportunities in the company. In fact 40% of employees confirmed this in the survey carried out and interviewees allude to the management style, which eschews distinct designation of posts and retention of fuzzy reward criteria that are so personalised that only the recipients are aware of being rewarded. In an

industry where professionalism is founded on hierarchical order, this innovation (or anomaly) has created and sustained a paternistic image (real or imagined) of directors or the owners who retain absolute decision-making power in this regard.

One of the downsides of culture management that critics (Willmot, 1993, Darwin 2002) allude to is that it will result in further subjugation of many employees as they transform themselves into corporate clones who are contented to submit to ideological domination. Paradoxically, the cultural conformity that the company strives to achieve is consistently undermined by this sublimal fear, which punctuates the veil of false consciousness that could have sustained the ideological hegemony of the shareholders. In defence of this system, directors are quick to remind such critics that this policy was made clear at the point of employment and it is one that employees voluntarily accepts by contracting to work in the company. They would also cite various factual evidence of growth in responsibilities of progressive employees in parallel with the company's rapid growth.

In reality, the fuzziness of the reward policies and growth opportunities in company is more imagined than real; nevertheless its impact on the social-cultural psyche of the employees is quite real.

Management Vs. Employee Interaction:

Whilst the directors directly interact and sit with the employees in an open plan office system, as the company grows the disparity between the stature of the directors and employees at the lower end of the experience scale rapidly increases. Hence, though visible to such employees, there is little or no communication from these groups to them. Also, employees who are not based at the headoffice are not in frequent contact with directors who are based in the headoffice. The preponderance of opinions by interviewees (who are not directors) is that there is insufficient means of employees channelling back their opinion on issues to the board.

This criticism is even more poignant when coupled the fact that 39.89% of employees claimed they have suggested ideas in the past which have not been implemented (see Q.41 of survey). A learning organisation that strives to evolve and innovate must possess a multi-dimensional communication system between strategic decision makers and the executing employees if they are to avoid being alienated from reality.

A replication of the human capital in Bruntwood is shown below in a two-dimensional model, which links team working with the human resource management practices, which in turn impacts on the acquisition, retention and management of knowledge workers, know-how and conversion or transfer of knowledge.

NB: This model has not been tested due to
the exploratory nature of this study
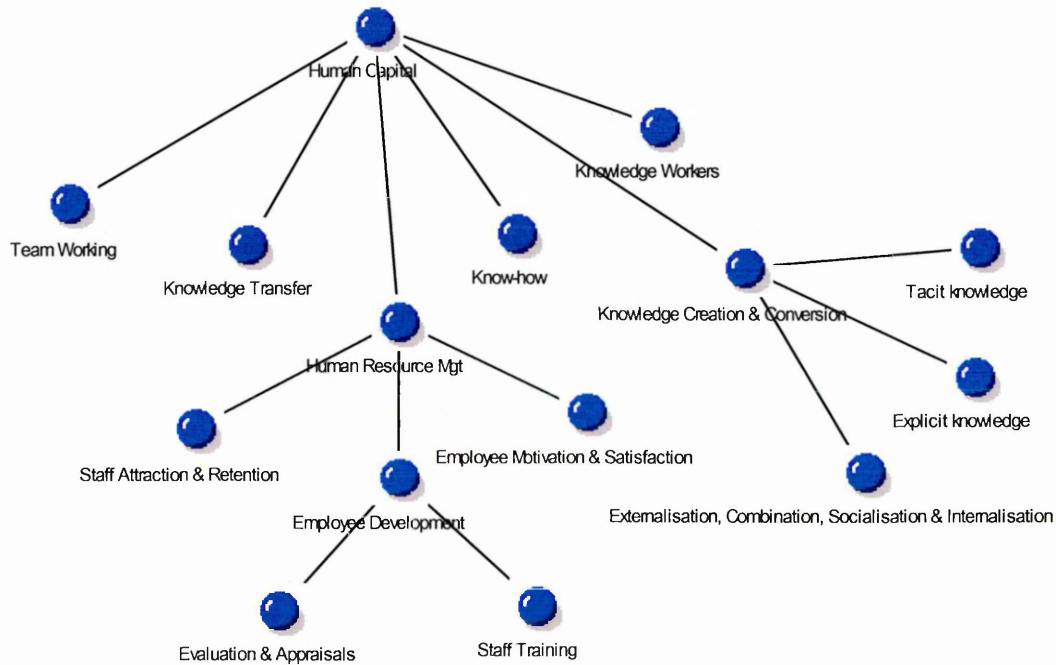
Fig H-5:   Model of Bruntwood's Human Capital

Constraints of KM in Bruntwood As An Agent of Change: Box 74.0

Head office Vs In-Building Cultural Variance:

Document 'BEL Interviews [13 CSM]',

NO. 13:

"I think that would be a tremendous improvement we could access a lot more information......that would be one of the most important improvements I could see Bruntwood doing to be honest, for us!"

NO. 13:

"The on -site team are not allowed access to the computer. Now I find that..... its detrimental, especially if I'm on holiday because a lot of my customers email me and .....I'd usually send an email saying look I'll be on leave for the next two weeks nobody would have access to my email please ring ..... with any queries. They forget and I come back and I get this stack of emails that have not been answered because nobody can access the computer......To be honest there is very little that would come through that would have any effect on that. I do not see why one member of my staff could not be trained to..... they are perfectly capable to be honest they program fobs, they can use the computer to program fobs, its not that difficult just to get an email to get our emails and just check through them and I would trust my staff to do that and I find it to be..... perfectly honest if I couldn't trust my staff to do that I wouldn't want them on my site anyway! ...... I feel quite strongly on that one because we're neglecting our customers who liked using email there's more and more of them we're taking that certainty away while I go on leave"

NO. 13:

"Sometimes there are some problems amongst the head office team and the and..... us I would say, not the on-site team members. ...... conflict in team meetings. We find the head office based staff tend to leave us out and would make a decision about your building whilst they're sat round their pod at head office and that could be a very difficult one and they even forget to tell you that they've made a decision. You also find that from the accounts side as well they would sign up invoices , it takes two to sign off an invoice it could be the that the Surveyor (bld) and Asset Manager would sign it off and it suddenly appears on your RSCVR. So that does causes some problems"

CYRIL:

Box 75.0

And how have you overcome such constraints in the past?

NO. 13:

"By shouting at them (laughs)...... I'll have a little scream, when we calm down we discuss it but you do find very much that your working in the dark sometimes and especially with Surveyors who and I have to say that the Building Surveyors are under tremendous pressure and they will arrange for a contractor to come in and carry out some very major works and you don't get received any program work so you yourself you're supervising the contractor don't actually know what they're doing you've nothing written down and you've no timescales that they should be working to for you to check on that and that can make life very, very difficult sometimes. And you mention it to the surveyor and they'll say yes we'll do that and it doesn't happen but they do have a lot of pressure"

NO. 13:

"....I love my job and I'm proud of my job.. but if somebody from another property company says 'I would give you a job at 35 hours a week or even 40 hours a week' because our basic hours is 42 and half hour week plus we're on call 24 hours a day 7 days a week then I would go. Purely so that I could have more of a personal life"

CYRIL:

...do you then think the directors or management utilise the values of the Bruntwood way when interacting with staff?

NO. 13:

No

CYRIL:

All the time or some of the time?

NO. 13:

"I would say with the people at head office they do, and the people who are out here they don't "

CYRIL:

So the discrimination is the head office against the out-based staff?

NO. 13:   **Box 76.0**

"It is! if you look at the offices ..... which is like a gold fish bowl and the majority of customer service managers offices really do not give the image that Bruntwood say you should be giving to customers...."

CYRIL:

So you would say Bruntwood needs to spend a bit equipping the customer service managers which isn't from the service charge account?

NO. 13:

"Not just the managers. Everything to do with our expense is not actually paid for by Bruntwood it comes through our customers in the service charge even down to travel expenses for meetings that Bruntwood at headoffice, I don't think absolutely everything should go through the service charge......Including our salaries so sometimes you feel that you are working for the customer..."

Document 'BEL Interviews [18 CSM]',

No.18:

"I think one of the requirements of being a team player is being able to reach compromise. Compromise is one of the things that I think is important as I do integrity. Integrity in a business like ours is one of the really important things."

No.18:

"As the company has got bigger the gap has widened and I think that it is a company culture that as the company grows it will never close the gap again. I think that whereas once upon a time the Chairman will go round every building and know everybody by name. Unless you knew the guy already, today if he was to go round the building you wouldn't have a clue.....and I think that is a big gap in the company culture. Because youngsters, even some older guys from the buildings, could start in the company today and six months down the road would not know the Chairman and I think that is a very sad indictment to the way we've gone. But as the company grows it was going to be inevitable, but I think there should be a cushion whereby the middle management should then step in and fulfill those roles or gaps."

| No.18: | Box 77.0 |

"I think at pretty well all levels, if you look at the history or background of staff in the company, I wonder if anybody actually analyses and look at the reason why people leave. I think on the ground out in the buildings it is run too much on a shoe string. We've no major investment in staff. Staff at the end of the day are a resource and without being properly resourced some of the jobs suffer. But if the job is suffering, the customers will suffer. And without the retention of customers, we'll go out of business and I think it does stick in some people's throat from outside (in the buildings) when they come here and they see what relative luxury guys here live in. Airconditioned, recently refurbished office state of the art computers and we're just struggling in the buildings with stuff. That adds to the 'them and us' and pushes everybody further apart. Nobody's got any issues with front of shop part of the office. The state of the art things, because that is what customers or contractors and people who come here, that's what they see. But whats with all the walls? Where is this? Where are we going and whats it all about? We know what's all about! But you try and explain that to some of the guys out on the grounds and all they see is the cheque that somebody's paid out to have all that. They are not resourced properly on the grounds.

CYRIL:

And you don't think the dept, which is authorised.....Customer Service Management to reduce the gap are making a good job of it?

No.18:

"No, I don't think it's the dept. Its not the way the dept runs, its not the individuals in the dept - I think its company's responsibility."

No.18:

"No because nobody in building touches the computer."

CYRIL:

Do you understand why and do you agree with that?

No.18:

"I understand why, yes I do agree with it to a limit....."

328

No.18:   **Box 78.0**

"I think guys I believe at the moment are working too long a hours with strange start-finish times that don't allow them to have a full other life, other than work. Most certainly during the working week.... During the working week I think we should really all be treated decently and treated with respect even if you're at the bottom end of the professional level. I put professionals not loosely, I put professionals people who do their job in a proper manner, not by qualification."

Document 'BEL Interviews [17 - MD]',

CYRIL:

It has been proposed by some people that the company as it grows, it is developing a dual culture - there is the head-office culture and in-building culture. How do you cope with that and how do you marry and bridge that gap?

NO. 17:

"Its one of the big challenges that face the company currently. Its one of the top three priorities of our new Corporate Services Director to resume in matter of weeks...... One needs to keep looking at ......again it goes back to best practice outside the industry, people who have worked with a lot of branches, successful retailers, successful hotels, leisure Operators to see just how you mirror a very positive headoffice culture in a series of mini-branches and whatever it is one wants to call it. It is not just the fact that the buildings are diverse and have got many teams in them..... for example when the satellite office is setup in Liverpool, I'm convinced that the new Regional Director and his team will operate in very similar way to the way the headoffice operates. Its also the different people profile, that you have out of the buildings as well - headoffice have primarily young graduates, and in our buildings we are dealing with a very different type of persons and profile, so it is important that the same values be applied as in our head office."

Document 'BEL Interviews [15 - Mkt Mgr]',

" Bruntwood has over 210 people out there multi sites, we have two distinct cultures, we have headoffice culture and we have in-building culture. The challenge for us right now is in bridging that gap. "

Other Challenges: **Box 79.0**

NO. 22:

"Well, we have done employees surveys before. We've done one (cant remember exactly when we did the first one). We did one for the company and we did one for the Sunday times survey from which again we got some opinions. But to be honest, I think there is some........... reluctance to provide people with feedbacks as to what we found out. It's a bit of a dual edge sword isn't it? So although we have canvassed opinions previously, we've maybe not deliver the information back to people who we should have, but that is a company board issue as opposed to an HR issue, hence its something that comes a bit from a higher level."

CYRIL:

Are you in favour of establishing a two way channel which enables employees to channel ideas or perhaps suggestions of improvements or sometimes complaints and grievances to the decision makers who need to know?

NO. 22:

"I think it is very important to have that communication tool within any company and it will be great if we could set something up whereby are happy to have this information bandied about and this information spreading... getting everything in the open and don't let people sit and natter to each other complaining about things. That doesn't get anybody anywhere. So lets be open about things and that will be fantastic if we could do that. But whether the board of directors will want us to do that is a different question I cant answer."

Document 'BEL Interviews [11- Biz Dir]',

CYRIL:

So do you then think that perhaps there is a vacuum.... or policy which is objective enough for people to know what to expect. You just said its your approach is more individualistic the danger of that and the perception of inequality in its application do you then think perhaps there are some policy formulations which could be helpful in communicating what a general framework of assessment would be to the employees?

NO. 11:

"Yeah. The problem we've slightly got is difficult one is you have absolute legislation which is guidance you have to abide by legislation. So the bottom

Box 80.0

line is we abide by legislation so we do that so there's your first policy. Danger we have of a company our size if we're getting to policies for every single issue off legislation then we box ourselves in. And we can't be flexible for individuals and part of that every individual assessment has to be about that individual now as in for instance......"

CYRIL:

But that's a policy statement you just made

NO. 11:

"Well it is...."

CYRIL:

It was clearly stated

Document 'BEL Interviews [17- M.D]',

CYRIL:

So in the absence of hierarchies, how then do you transfer to your employees an awareness of a discernible path of growth or potentials which will enable them retain their aspirations in the company? Because in a flat system, the difficulty is that people sometime may fail to see the potentials in the future, which you see.

NO. 17:

"Again, this does remain a real challenge to the business. Almost what we've got to do is play back the history and we communicate the future strategies....we play back the history and anybody bright enough to progress in this company will see the opportunities that are there.... The company is progressing a little bit faster than the people and only a few people are progressing as fast as the company. Again its trying to get that message across."

CYRIL:

Box 81.0

How do you determine the right training you need to give the employees?

NO. 17:

"I don't know that in terms of computers, something I am feeling a little bit uncomfortable about is how prescriptive one needs to be and how much to leave it up to the individuals in order to organise themselves. Some are better at actually organising themselves than others, but there are significant proportion of people...... and it is very well saying you leave everybody to themselves...... but significant proportion of people still need the discipline of working now and being told that during working hours this is what you do rather leaving themselves to their own devices. But there are quite a few, particularly younger people as well who are perhaps yet to establish discipline in their lives. One of the great things about starting work for young graduates in the UK, it used to be that it would the thing that really finally puts the discipline into their lives, because at the hours they need to be there, gradually they learn that self discipline and as they got older it becomes second nature. And almost there is a danger at the moment that we don't actually give people the benefit of that discipline. I certainly enjoyed it when I first started working. I was a pretty undisciplined student when it came to applying myself to studies and then found the structure the work place afforded me, allowed me to form habits which have stuck with me and stood me in good stead now for what I am doing."

No.17:

*One of the big, big issues though that we have is external legislations coming in. And that external legislation makes it very difficult to treat people like humans, because suddenly we are into a stage where everybody has got to be treated exactly the same. You can't treat everybody the same and it is wrong to do so, because as you say some people are in a period of their life that their career is doing that (*making ascending motion*) and then you've got the people who are choosing for whatever reason for their career to do that (*making descending motion*). As long as somebody continues to be moving forward with their career or at the very least continue to get their job done then that is fine. What we cannot tolerate is that when that (*making descending motion*) starts to happen, that ....there are real, real issues at the moment with external legislation and concept of precedence, which means its quite difficult to be human at times and this puts a strain and that is the biggest single challenge to us applying the values of the business. Those legislations are designed for companies who don't run themselves with values and they are there to employ people and I appreciate that it is almost a necessary evil, its something we've got to learn to work it, it doesn't make it any easier.*

Document 'BEL Interviews [19 - IT Mgr]'   **Box 82.0**

No. 19:

"In all honesty, and I have heard this back off the record, I think our means of appraisal are quite poor. I think its focussed far too much on the set objectives, the initiative, creativity and about seven or eight of them....I think that they are not worth the paper they are written on. Yet you evaluate yourself on scores of 1-5, I don't think you get anything from it. You have to provide examples of how you've shown initiative and creativity etc. Its all...crap to me and I would be quite honest in saying to my Mentee, 'don't spend too much time writing these and I am more interested in the key objectives for the dept. Something that is purely applicable to him and me, the objectives that we mark ourselves against. I think the time is much better spent evaluating that. So I think that the way we get appraised, I've never really come out and got something out of it or say that appraisal has really helped me overcome my difficulty with the public speaking or holding training. I don't think anything gets resolved during those appraisals!"

No 19:

"Yeah...no and again in the scheme of things we always come up with these ideas and say wont it be great to have seminars about this or to talk to people about that? But, I think although people would be first to complain that something doesn't work, they're not interested in being a part of a resolution and that is certainly my gut feeling. We get a few people genuinely interested in fixing something or being a part of a project to implement something, but you get many other people who are just not interested. They don't like change, "just put it in and see if it works" kind of people...."

Document 'BEL Interviews [2 - Asset Mgr]',

"But also there is a willingness of the management team to get involved in the detail of team projects which can sort of muddy the waters a little bit..... No that's part of the problem because again you kinda of try and achieve things by consensus, where perhaps a little more leadership would be good..... But it's no help when we sort of dealing with a refurbishment project and the M.D comes on to site and says I don't like those lights get them down, change em, and suddenly we're moving around like idiots"

CYRIL:

So do you think the creation of a management cadre was a right move in the right direction

NO. 2:

"I think it would be if they were allowed to actually to do the job that they were supposed to be doing and I don't think ..... they do. Because I think the relationship that exists between management team and us in terms of sort of power holding is probably even more concentrated when it gets to board to management level and given that 2 of the directors head up those two teams it's actually down to 2 people really."

Document 'BEL Interviews [23 - Fin Dir]',
No. 23:

"I think the appraisal form we use is a bit long winded, its all very well in HR sort of textbooks and theories to say there should be these competencies you measure people against for both their technical competencies and their Bruntwood competencies, but practically speaking you do find that there's a great deal of overlap and it does create a chore out of something that shouldn't and I think we do need to visit this... there's a definite need to simplify the appraisal document and give people a little bit more latitude and room to tailor it to their own specific requirement of that person. But its also a good point that you raise Cyril regarding feeding back to people and saying yeah, part of that feedback is identifying training requirement, but ongoing basis to talk to them about their performance"

No. 23:

"I appreciate it can be frustrating for the people out in the buildings. we've had to prioritise and there is to an extent... we've got to recognise that people out in the buildings IT is less of an enabler or a part of people's day to day job than it is here at head office in many senses. and also we've had to manage carefully the roll out to ensure that we don't suddenly throw these new toys on people's desk and it then pre-occupies what they are essentially there to, which is deliver service to customers."

Document 'BEL Interviews [3 - Asset Mgr]',   **Box 84.0**

NO. 3:

"I think you either accept it or you don't as a company and you work around it so I believe that if you set up the structure right you can accommodate part time females and the such females don't have to step down from senior roles because they want to work part time. Bruntwood just have this mentality and think that if you're not there for the hours you're supposed to be everyday then you can't do it....."

CYRIL:

But does your job demand you to always be physically in the office?

NO. 3:

"No "

CYRIL:

Could you work from home?

NO. 3:

"I could work from home... Bruntwood are not prepared to let people work from home"

Document 'BEL Interviews [7 – Sales Surv]',

CYRIL:

And does the company have the pride in the people who work for them? Does the board of directors deal with the employees with these values as they do deal with customers

NO. 7:

"No no I don't think they do. I think quite often there's a lack of respect, integrity and no nonsense and all the others I mean it would be useful to have the list because I am not such a swot that I sit and read the mantra every night. I just havent had my understanding of it and that's accordingly. Now I don't think the board of directors do tend to I think respect is probably the main one that I struggle with when put into context with how the board deal with people I don't think they are particularly aware of the feelings of people. I know it might sound a bit sad in a business world but I personally think theres a lot to be done with peoples feelings or emotions and I don't think that much heed, if any is paid"

7.3.7   On Head office Vs In-building Cultural Variance:

It is an established fact in Bruntwood that there is a cultural variance between the employees based at head office and those in various buildings or sites. This notion initially emerged in this research during the survey where a variance in statistics returned on Q1, Q22 and Q31 reveal this distinction. Various interviewees also confirmed this with the customer service managers suggesting the following as key amongst the reasons for this subgroup culture:

- The fact that both sets of employees are physically located in different locations
- Whilst the directors strive to maintain a flat management system at the head office, their policy is to sustain a very hierarchical order in the buildings – evidence of this are the use of titles or post designations, the restriction of computer access to only the Customer Service Managers and etc
- The non-inclusion of team members who are not based at the head office in many crucial decisions due to oversight (by team members who usually sit on the same pod to facilitate better communications);
- The difference in working hours demanded by the company from employees not based at the headoffice (about 42.5 hours week compared with 40 hours at the headoffice)
- Since in-building employees are usually funded from service charge accounts for different buildings. Hence the diminution of allegiance to shareholders compared to their customers;
- Since these teams are funded from service charge accounts, the frugality that these accounts require for potential expenditures is such that employees feel discriminated against in terms of the provision of comfortable physical workspace and facilities compared with headoffice; and
- The constitution of in-building teams is of predominantly older semi-retired employees compared with young professionals at the head office – with attendant implications for value judgements and priorities.

With the rapid growth of the company, satellite offices are being set-up in other locations (Liverpool being the first), it therefore becomes even more imperative to maintain the core values of the organisation in all locations (albeit with variation in applications) in order to ensure that the branding remains intact and employees remain motivated enough to propagate the expected level of customer service.

7.3.8   Other challenges to change management:

In a classic antithesis, employees accuse directors of not dealing with employees with same standards, whilst the directors complain that restrictive labour regulations limit their ability to deal with employees flexibly. If critically examined, these two views are not mutually exclusive. In fact they are each referring to different aspects of the decision making process. Employees complain that in the use of discretion and judgement (based on indistinct policies) they are unable to see equal treatment of all by directors; whereas directors are referring to regulations, which prevent them from enacting the distinct policies that would accommodate flexibility of approach to individuals.

Another area of potential controversy is what constitutes appropriate regulatory practices on employees' IT (internet) use and what constitutes invasion of privacy. Whilst some employees may benefit from the imposition of some discipline to their activities, there are others who believe in self-regulation as the appropriate method of encouraging development and sustaining trust & dignity.

The concentration of power with directors has not diminished with the institution of management cadre employees, and some believe they are effectively as powerless as other employees on crucial issues. Thus the intervening role this group are meant to fill partly remains, with the directors still steering the direction of the corporate ship whilst the shareholders firmly dictate in which direction they steer.

One of the various HR issues that interviewees alleged is the limitation of career opportunities in the company for women who have family commitments. When coupled with a lack of flexi-working culture, this represents a significant gap from best practices that are actively seeking means of eliminating or reducing such inequalities.

A modelling of the company's intellectual capital is shown in fig H-6 below. This model combines the various mini-models previously formulated in order to replicate the structures that support the company ICM.
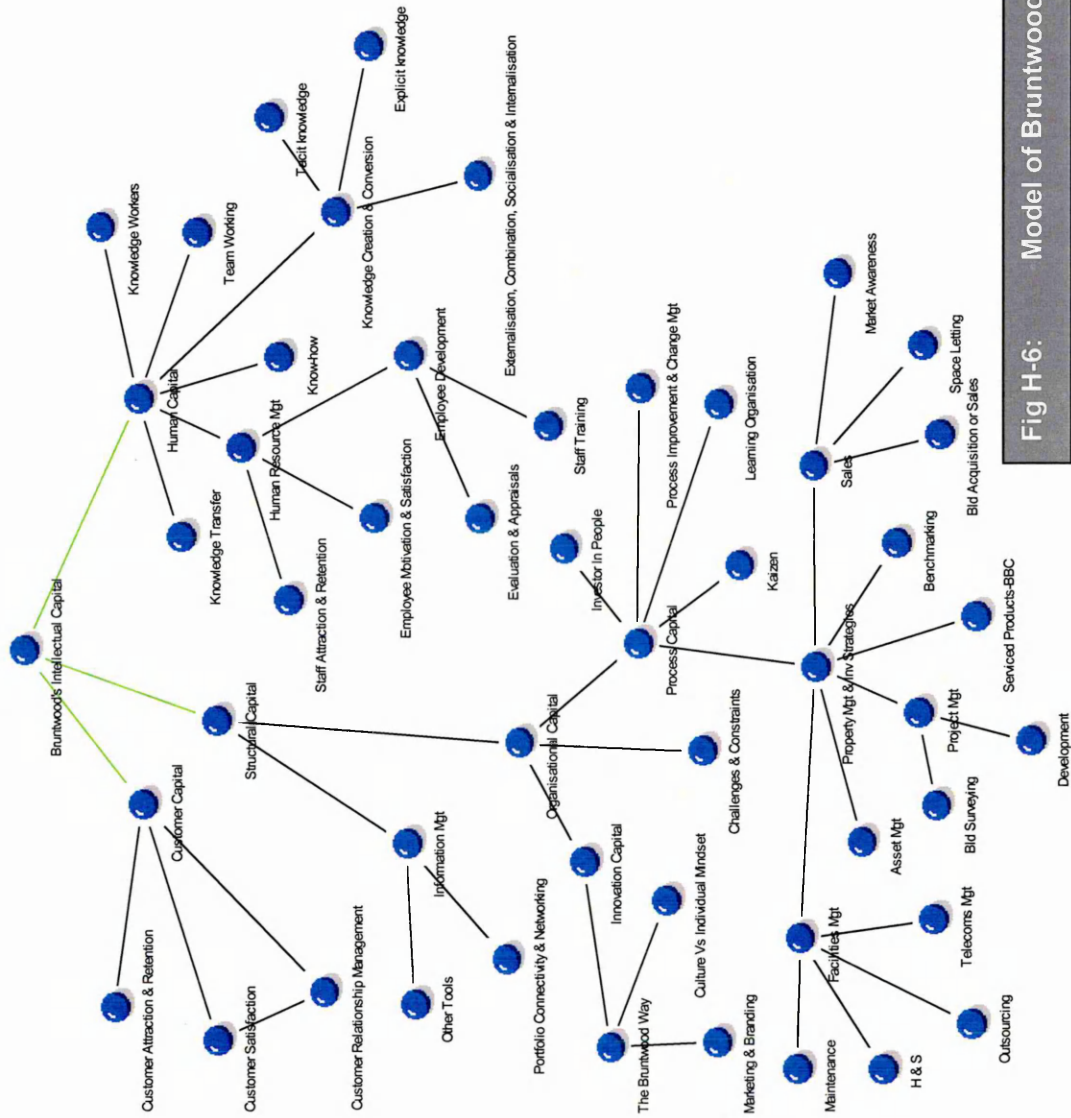
Fig H-6:   Model of Bruntwood's Intellectual Capital

NB: This model has not been tested due to the exploratory nature of this study

Bruntwood's Intellectual Capital

Human Capital
- Knowledge Workers
- Team Working
- Knowledge Transfer
- Know-how
- Knowledge Creation & Conversion
  - Tacit knowledge
  - Explicit knowledge
  - Externalisation, Combination, Socialisation & Internalisation
- Human Resource Mgt
  - Staff Attraction & Retention
  - Employee Motivation & Satisfaction
  - Employee Development
    - Evaluation & Appraisals
    - Staff Training

Structural Capital
- Information Mgt
  - Other Tools
- Organisational Capital
  - Portfolio Connectivity & Networking
  - Innovation Capital
    - The Bruntwood Way
    - Culture Vs Individual Mindset
    - Marketing & Branding
  - Challenges & Constraints
- Process Capital
  - Investor in People
  - Process Improvement & Change Mgt
  - Learning Organisation
  - Kaizen
  - Property Mgt & Inv Strategies
    - Market Awareness
    - Sales
      - Space Letting
      - Bid Acquisition or Sales
    - Benchmarking
    - Serviced Products-BBC
    - Project Mgt
      - Development
    - Bid Surveying
    - Asset Mgt
    - Facilities Mgt
      - Maintenance
      - H & S
      - Telecoms Mgt
      - Outsourcing

Customer Capital
- Customer Attraction & Retention
- Customer Satisfaction
- Customer Relationship Management

8.00   Research Findings

All through the study, each chapter (and interview sections) have been analytically summarised and will not be repeated *verbatim et literatim* here. A recap of the objectives of the research as modified after the literature review is as follows:

- Evaluation of existing pattern of KM deployment within selected organisations (sample population) in the North West;
- Elicitation of value-add impacts of knowledge Management practices on commercial property business goals in a selected case study;
- Identification of growth and return patterns within a selected case study implementing KM practices relative to the industry's benchmarks;
- Development of a model, which simulates the dynamics as an innovative tool to players in the real estate industry.

The study commenced with a comprehensive review of published papers and books on the concepts that constitute KM, practice of KM and its potential application in the property industry. One of the outcomes of this review is the formulation of a cyclical 'data-to-knowledge' model that simulates the Researcher's perception of the conversion process of data to information and to knowledge based on relevance and cognitive filtering. Further to a Kantian synthesis of knowledge, a working definition of KM was derived within the context of commercial property investment. The reviews of the applicability of these phenomena to property industry found only previous researches in the project-based sector (architectural, engineering and construction) and none on property investment and development businesses. The conclusions of those studies are that there is insufficient understanding of the potential impacts of the practice on this industry; ethnographic studies revealed haphazard implementation and more studies were recommended (Egbu, 2001; Egan, 1998; Kamara et al, 2002). By the end of the stage I survey, the study had epistemologically transited from a positivist orthodoxy to one based on phenomenological paradigms – as the most realistic strategy of assessing the dynamics of KM within organic businesses.

The survey of commercial property companies in the North West had a low return rate of 22%, which was just acceptable, given the peculiarities of the sector where a few

players tend to dominate the market and where KM is seen[i] as a relatively new practice (Anumba et al, 2001). Analysis of the survey returns revealed that 100% of the companies have restructured their information management systems in the last five years with 88.9% having to consequently modify their work practice. Though only 11.1% of the NW property companies confirmed proactive implementation of KM initiatives, the researcher concludes that the setting up of enabling information systems by all is indeed a potential implementation of a crucial segment of KM.

Interestingly, 70.4% of respondents confirmed their understanding of holistic KM definition when given choices of various segments of KM practice. The sector did not perform badly on the spectrums for human and basic information transfer tools (part of structural capital). Most scored between 2-4 on the Likert scale and this supports the notion that basic estate management practices facilitate a basic level collaboration and information (albeit explicit knowledge in form) sharing between employees. However, there is a significant room for improvement before reaching the optimal KM level.

The research confirmed that the drivers for changes in the case studied are both exogenous and endogenous. Technological changes, economic imperatives (in the shape of market forces of demand and supply, fiscal and monetary policies of government), industry standards and regulations are the key exogenous variables impacting on this company. The adoption of newer technologies is primarily driven by the economic imperatives in order to stay competitive. Endogenous drivers include, the desire for innovation, branding promises, drive to satisfy/retain both customers and employees and ultimately, a desire to maximise profit by adding value to their portfolio.

Bruntwood was found to possess a contemporary information management network, which enables the storage, distribution and retrieval of information. The company has invested significant resources (over £100,000) into the development and customisation of the network to fit the work culture and facilitate process improvement – it has also been people driven and delivered in strategic phases. This investment in ICT assets was confirmed to have saved space (over 40 cabinets being archived), enabled a more proactive work culture and contributed to efficient delivery of service to customers. What the company has not been diligent about is the organisation of the data library and filing protocols, and this is increasingly diminishing the efficiency of

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[i] Even if one agrees with those who see it as old wine in new bottle, there can be no equivocation regarding the impact of new technology on work practice. In its present form, it is a relatively new phenomena.

information retrieval.

The owners and directors of Bruntwood have employed culture management as a strategy to adapt to changes and sustain growth over many years. Commencing with a transformational leadership, the company has maintained a strong formation of norms and practices, which provides a bond to all members of the organisation. Conformity with group norm is quite high and this results from concerted recruitment of employees who share or display the company's core values or those genuinely motivated to adapt. The multi-layered cultural vehicle has at its loci explicit core values that are constantly rehashed to employees as part of a continuous indoctrination process.

The cultural vehicle dominates the interaction between employees and coerces general adherence to a collective paradigm. However, there was evidence of sub-cultural deviance and simmering conflicts between the company's ideology and resistant mindsets that consider this normative prescription as restrictive. The research found evidence of tangential alignment between deviant mindsets and the group norm, which were however camouflaged with a veneer of conscious conformity. In addition, the rapid growth of the company over the years, across diverse locations, is increasingly exerting pressure[i] on the cultural elasticity and mutating into sub-group cultures. On the whole, the motivational propensity by a majority of employees to conform and share ownership of the organisational success with pride, continues to set the company apart from competitors (who lack strong identities).

Bruntwood possess internal structures that support traditional estate management functions albeit culturally customised. Various departments like asset management, project management/ building surveying and sales all work in functional team formations – an additional department that is not traditional is customer service, a concept transferred from the hospitality industry. Procedures that enable transfer of knowledge and quality delivery of service are constantly assessed for improvement. Most of the benchmarks being emulated are however set by the owners and directors, due to shortage of suitable industry benchmarks. The reason for this incompatibility of benchmarks is due to the difference in financial reporting parameters and ambiguity of constituents of property indices. The anomalies referred to include inconsistency in classification of uses and proportion of mixed-use buildings with varied classification. The definition of prime, secondary or tertiary properties may even coincide at the

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[i] Increasing the disconnection of the coalface from the centre

extremes but blurred along the distinguishing boundaries of classification[i] (Abbott, 1987; Fraser, 1993).

Therefore, the difference in financial reporting philosophy between Bruntwood and IPD (one of the popular benchmarks in the industry) makes it practically difficult to run a reliable and valid comparison. The portfolio size of Bruntwood exceeds the sample size of IPD (in the North West) and Bruntwood's portfolio is not included in this sample size, being non-subscribers until 2003, thus diminishing the representativeness of IPD North West benchmarks.

This Researcher recognises that positive performance of the property portfolio is essential for any commercial property business to be profitable; however this is not a guarantee for business profitability and growth. A holistic view of any commercial business performance can be better measured through the annual statutory accounts, which measures not only the business' ability to achieve portfolio growth but also overall turnover, net worth and profitability. In this regard, an analysis of Bruntwood's annual accounts confirms that within the period of 1993 to 2003, it achieved increasing level of portfolio growth and also returned increasing level of profitability.

A visual comparison[ii] of time series graphics for ten years (1993 – 2003) reveal similar peaks and troughs[i] in the growth & return variables for both IPD and Bruntwood in 1995/1996, 1998 and 2000. In addition to an average increase of 16.7% in turnover and 18.3% of fixed assets, a recent draft report by IPD in 2003 confirms that Bruntwood portfolio outperformed the IPD benchmark (excluding London and SE) in 2002. Considering that the company's performance indices in 2003 significantly surpassed that of 2002, and the market has not changed drastically in-between, then the company would most likely outperform same benchmark in 2003.

The structural capital of Bruntwood consists of the various strategic initiatives undertaken by the company in the past and currently (Process Capital) and the innovative marketing and branding processes that are a vital part of the organisational culture (Innovation Capital). This structure is facilitated by the contemporary information management systems and connectivity network to various parts and personnel. Unlike the Skandian model, the customer capital is elevated from a sibling status under the Structural Capital to one that is on par. A better understanding of the

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[i] or over the evolution of the relevant market
[ii] In spite of the inconsistencies, a significant proportion of both indices used contain same constituents

Customer Capital in Bruntwood enabled the formation of a model simulating its relationship with the KM practices and Financial Capital (see Fig H-3). The Customer Capital was discovered to mean the totality of the company's relationship with their customers in the short and long term. This capital is based on the attraction and retention of these customers and the existence of a relationship management process that would ensure an expected level of satisfaction. A differentiation is made in the case studied between paying customers (either real or potential) and suppliers or consultants. Hence most (*not all*) of the company's marketing targets this class of customers.

The human capital in Bruntwood are its employees. This capital is attracted, developed and retained by a complex series of interwoven practices based on the organisational culture. Team formation is the primary mode of task allocation and execution. The company does not have a policy that supports nomination of permanent team leaders. Teams are expected to arrive at decisions by consensus. Whilst this practice engenders various constraints, decision-making are reasonably fast and validation can be sought from the management cadre or directors at anytime by any member of the teams – thus perpetuating a flat management myth within a false consciousness. The case studied was found to be proactive in processes but reactive in human resource management. Also, the sustenance of the cultural hegemony is predicated on selective recruitment strategies based on value affinity. Though knowledge workers are sought and new ones are actively developed, the employee appraisal and development practices in the company were found inadequate and irresponsive.

8.10 Reliability, Validity & Trustworthiness

The concepts of reliability[ii] and validity[iii] are measures of repeatability and integrity of conclusions drawn from a research work (Robson, 1999). Whilst reliability refers to consistency of a measure of a concept, validity is whether an indicator really measures what it was designed to measure. They are usually associated by many writers (Bryman, 2002; Robson, 1999) with quantitative methods and have been determined in this study where deemed relevant (after the analysis of both surveys). In addition, due

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[i] At no time were Bruntwood's indices lower than that of IPD benchmarks
[ii] Includes stability, Internal Reliability, Inter-observer consistency
[iii] Includes face validity, concurrent validity, predictive validity, construct validity and convergence validity

to the qualitative method utilised, the following measures are recommended as appropriate (Bryman, 2002; Robson, 1999; Kirk & Miller, 1986):

- *Credibility* – (which is how believable the findings are). One of the characteristics of phenomenological orthodoxy is that it involves the study of social phenomena and their meanings with regards to the social actors. In this research, the organisation studied is a live one, which was actually growing as the research progressed. The findings in the research are based on objective analyses of the structures, culture, statutory accounts and actual opinions of actors in and around the organisation. The analyses are based on existing KM theories and the findings are realistic and believable;

- *Transferability* – (which is whether the findings apply to other contexts). The study confirmed that only few property companies are implementing KM initiatives with a view to achieving improved intellectual and financial capitals. Hence, whilst the research methods in this study are replicable, the findings these are unique to this organisation. However in terms of the models established, these could constitute frameworks for implementing and assessing KM in any other property company.

- *Dependability* – (which is about whether the findings are likely to apply at other times). Learning organisations change with time and their knowledge of the past links them with the future. The study is a representation of a snapshot of a period of ten years in time and can only be interpreted in this context. The research methods and models established can be applied at any other time in order to explore that period with attendant exogenous and endogenous variables constantly impacting on the organisation.

- *Confirmability* – (which is about whether the investigator allowed his or her values to intrude to a high degree). If the heuristic orientations of this Researcher had held sway the study could not have achieved its purpose and arrived at the present outcome. Hence, as a reformed Positivist, the discipline of phenomenological studies were followed with rigour, albeit with a cognition based on extensive study of existing theories and prior knowledge of the commercial property sector;

- *Ecological Validity & Authenticity* – (which is a determination of how applicable a finding is to the social order or phenomena being investigated). The findings of this research are quite applicable to the organisation studied. The commencement of an action research wherein the inadequacies of the existing practice are to be modified by social actors in the organisation is the highest litmus test of the catalytic authenticity and ecological validity of this study. Ontological authenticity is easily established because there has not been any other study of these phenomena in this sector and the outcome of the research therefore leads to a better understanding of it.

8.20 Conclusion

This study concludes that the proactive practice of knowledge management in property businesses in the North West of U.K is nascent. Whilst good estate management practices generate parallel initiatives, which conform to segments of KM, these are insufficient as tools for change management in an environment that is increasingly varying.

Various initiatives and practices were found in the case studied. When combined as an organisational strategy over a period of time, this research confirmed that it conforms to a holistic KM approach. Over the implementation period, the company has phenomenally experienced growth and stability; and evidence discovered supports the notion that it outperformed the market benchmarks. Further, on the evidence of the owners, their employees and customers, this research confirmed that the practice of KM has positively contributed to the company's intellectual capital. As a constituent of market value, this research established the combined model (Fig H-7), which simulates the relationship found in Bruntwood Estates Ltd. The dynamics of these phenomena in the case studied is not utopian. The company was found to have implemented the practices with a remarkable emphasis on culture as management tool, however the human resource management requires improvement[ii].

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[i] Guba & Lincoln (1994) posited that this the degree that the findings represent different view points (fairness
[ii] As at the time of this writeup, the company has implemented some initiatives that could address some of the challenges observed in the study e.g the teams have been redivided across development properties vs. investment properties (instead of the previous locational based city vs. regional properties), a full time H&S staff has been employed, some middle management employees were appointed as directors (in order to create more career prospects) and other processes are being re-examined.

Conversely, a generic model based on the Researcher's knowledge of commercial property companies implementing traditional estate management strategies, was formulated in H-8 as a means of demonstrating the level of difference when mapped against the model of another organisation implementing KM.

In the generic model, IIP is included under process capital (for purposes of demonstration to represent traditional HR policies that recognise the development of employees), though in reality, IIP states[i] that at the end of 2003 only 19.19 % of construction sub-sector and 22.28 of real estate sub-sector have qualified.

Whilst the contemporary ICT assets have facilitated knowledge capture and transfer, the multi-site location of personnel and fast-paced nature of practice constitutes a challenge to the capture and transfer of tacit knowledge. Also knowledge transfer from one project to another, though easily captured in explicit formats, still remains a challenge regarding conversion of tacit knowledge that is possessed by knowledge workers[ii].

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[i] http://www.iipuk.co.uk/IIP/internet/researchanddevelopment/
[ii] Thus, validating the findings in AEC sector of Holtham & Ward (2001)
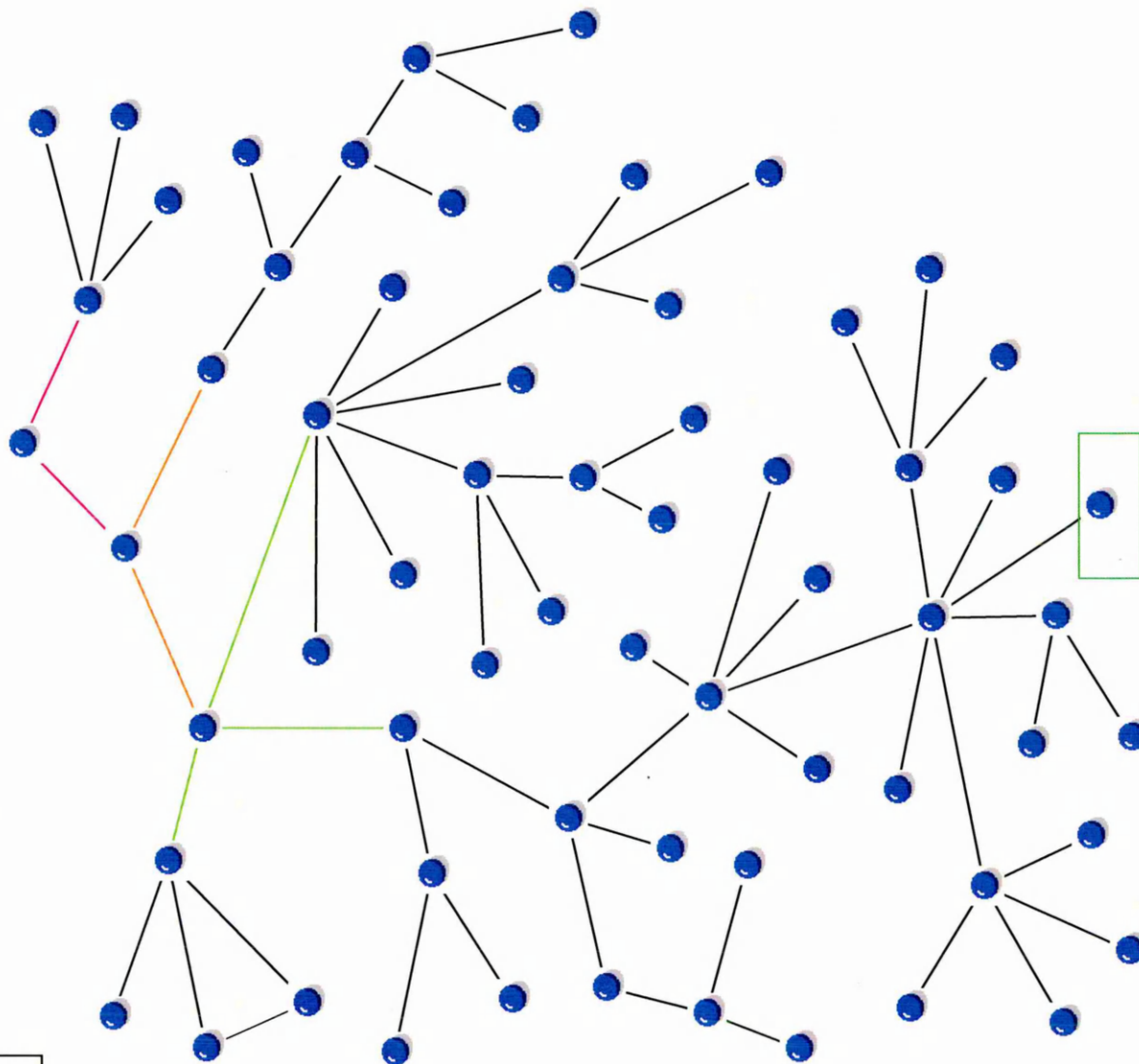
Fig H-7: Consolidated Model of Bruntwood's Market Value

NB: This model has not been tested due to the exploratory nature of this study
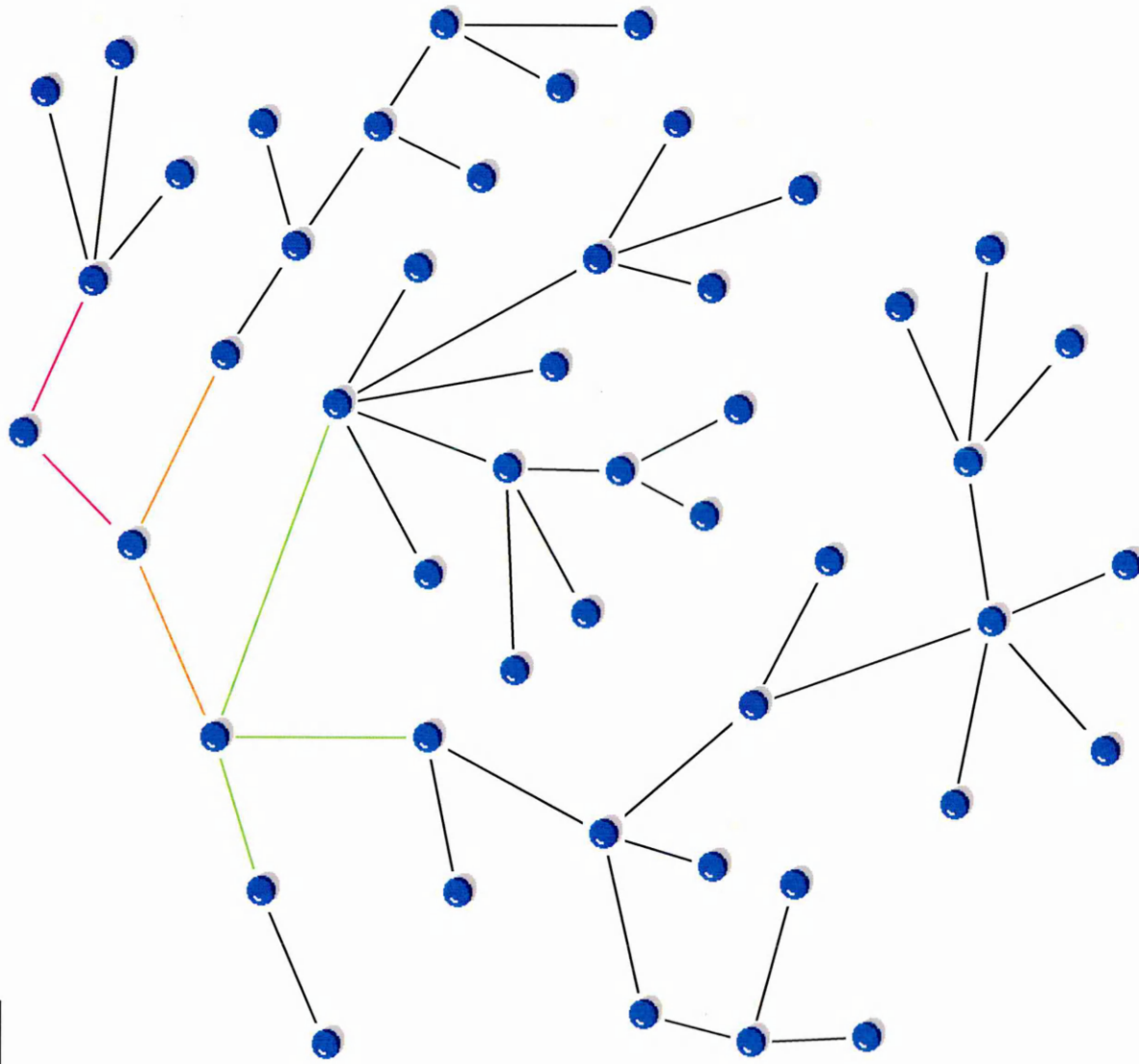
Fig H- 8:   Generic Market Value Model of Typical Property Business

NB: This model has not been tested due to the exploratory nature of this study

8.30 Research Limitations

In the course of this research, there were various constraints, which shaped its scope, methodology, actual data gathering and subsequent analyses.

Amongst this is the limited resource (money and time) available to poll a wider sample population (by widening the geographic coverage or expanding the inclusion criteria of the survey population), chase unreturned questionnaires or carryout multiple interviews over a longitudinal timeline. The two specialist softwares utilised for analyses were SPSS 11.0 and QSR's Nvivo 2.0.

In terms of delimitation, this research elected at the onset to focus on only one of the regions in UK, which is the North-West (NW) region. This choice was dictated primarily by the locational proximity to the Researcher's base in Sheffield and the increasing profile of Manchester as major centre of finance and services outside London. The importance of this region has only recently been reconfirmed with the hosting of the 2002 Commonwealth Games in Manchester and selection of Liverpool as the next European city of Culture in 2008.

The low level of response to the first stage questionnaires served may have been influenced by perception of threat to investment or trade secrets that unrestrained access to data may pose. Three main surveys previously carried out (Hunt, 1985; Hsia and Byrne, 1988; Avis and Gibson, 1989; Dixon & Feenan, 1992) confirms that the sector places a lot of value on confidentiality surrounding commercial property data and operational techniques.

In contrast, the high level of response achieved for both the case study questionnaire survey and interviews were achieved by securing the co-operation of top Management to utilise communication network and hardware within respondent company. As a tactical trade-off, the Researcher agreed to make available to the respondent summary of the survey outcome as a tool for process improvement and change management.

The research sought to establish the dynamics of KM on commercial property businesses. Unlike the equity and capital market, the open market values of commercial properties are primarily determined by reported valuations prior to sale occurring. The reliance on valuations is compounded by paucity of transactional data (Adair, Hutchison, MacGregor, McGreal, Nanthakumaran, 1996). Despite the debate on the accuracy and reliability of valuation as a true reflection of current market

variables, this research utilised statutory accounts, which includes valuations based on the industry parameters.

Further, due to the complex decision making process of fund managers and publicly owned investment companies (usually based on portfolio allocation models and vagaries of the stock exchange – see French & French, 1997), this research only included privately owned investment or development companies in the survey population.

Lastly, in terms of generalisability of the research findings, the Investment Property Databank (2000) estimates the numbers of commercial properties in the NW to be 8% of that of the whole of UK, the capital values to be 6.9% of U.K and GDP as 10.3% of UK. Hence, though significant, the low proportion of the NW commercial property market in relation to UK as a whole precludes a generalisation of the findings without further investigations.

8.40   Further Research

This research was conducted as an exploratory study of a set of management practice that is nascent and little understood in terms of its potential impacts on any property business. In unravelling the dynamics on a typical case studied, this research lays the path to knowledge hitherto unknown.

However, the study barely scratches the surface of these phenomena and would require further empirical studies to validate some of the findings in this research and extend the boundary of knowledge on its characteristics. Focussed research that could be explored include the following:

- Based on the same epistemology and ontological assumptions, a validating studies can explore the dynamics of KM on property businesses in other parts of UK;
- A research to establish means of measuring intellectual capital in property businesses. This could be based on a positivistic paradigm, that would collate data on expenditures relating to the phenomena in relation to marginal impact on net worth over the period of implementation;

- A research into culture management as a change management tool in property businesses. Based on phenomenological paradigm, a case study could be carried out to establish efficacy of this framework as a management tool in its own right;

- A study could be carried out to establish efficient protocols for information management systems that will enable tacit knowledge conversion and transfer in the property industry.

- Finally, with a detailed differentiation of existing management practices (LO, BPR etc) to what extent does the holistic practice of KM add to traditional estate management practice, in the fulfilment of industry based goals?

8.50   Reflections

If reflexivity is the relationship between the observer and the objects of observation (Darwin et al, 2002), then the Researcher would attempt in this section to make the unconscious conscious and covert the tacit into explicit forms.

At the onset of this study, considerable effort was put into describing the background to the study and the intellectual journey of the researcher to the point of commencement. Halfway through the study, this section was significantly abridged in a moment of self-consciousness and attempt to minimise the importance of cognition in the prevarication that this Researcher grappled with. This has been reinstated now for reasons stated below.

Though the Researcher unequivocally agrees with an epistemic synthesis that views knowledge as both *a priori* and *posteriori*. Like many technicists (see Darwin et al, 2002; Grey & Mitev, 1995) the Researcher underestimated the importance of cognitive predilection in intellectual pursuits. Hence, it 'appeared' to him appropriate to commence with a positivistic paradigm, in the study of the impacts of KM on property values. After many months of intellectual despair and epistemic reflexivity, the Researcher agreed with Bourdieu (1990) that the biography of any observer is an indication of the unconscious propensities that could be employed. Hence having successfully resolved the epistemological incongruity, this research was conducted with the discipline and rigour of phenomenology. The research does not make any

pretension that change management can be conducted in a socially, morally and politically neutral state.

Hence, the study grappled with each of the strategic metaphors of leadership, power and culture as a phenomenon that is real in its consequences. This effort was aided by the Researcher's regression to a philosophical cognition prior to the acquisition of technical know-how.

So, have all the questions been answered? Is KM a transient management fad? Will it disappear as rapidly at it has evolved?

One of the significant insights gained by this Researcher in the process of this study, is the realisation of real knowledge through genuine understanding of the depth of his chasm of ignorance – thereby arriving at Socrates philosophical postulation. Hence, while starting by declaring that there is no perfect answer to any question, in this Researcher's opinion KM is indeed another management fad. However, in a sharp divergence from its cynical antagonists, this Researcher sees nothing wrong with transient management fashions and actually considers it essential requirements for organisational adaptation to change over time. Reminiscing with Charles Darwin (1859), it is not the strongest of species that survive, nor the most intelligent but the ones most responsive to change.

Will it disappear? If found to be conceptually inconsistent or practically unrewarding, it could. However, this study shows that KM is neither and will therefore probably not disappear. Will it evolve and be called something else? Certainly. The case studied showed that even when the practice of Kaizen was considered unsuccessful at the time it was implemented, the core characteristics of continuous process improvement remained and transited into the current KM practices. Thus, as the enabling technology changes and currently tangential protocols converge (wifi, bluetooth etc) the workplace cultures utilising these tools must evolve, exogenous variables will change. To remain effective and efficient, organisational management approach would need to adapt.

It is worth noting that this research was carried out with privately owned commercial property business performance as a result of implementing KM as a focus. Hence, some of the concepts disproved as inapplicable could be relevant if such businesses transit into REITs and market values become determinable in units traded. Of course,

both endogenous and exogenous variables would also have changed and the dynamics of any practice in such organic entities will respond to different stimuli.

In more sense than one, this research has not been only about extending the boundary of knowledge regarding a little understood phenomena, for this Researcher, it has been an intellectual journey to a conscious reawakening of the preconscious.

As a last word, the Researcher would enjoin readers and would-be researchers to approach the phenomena of knowledge management with a suspension of intellectual predilections. Also, for a while, to consider the interplay of mindsets within group norms, the accumulation of intangible assets and the satisfaction of customers and employees as real as any external reality in their significance. Then and only then, can they begin to comprehend the dialectics at play.

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Appendix I

Stage 1: Questionnaire (coded)

D.Tel: 07808714506
Email: c.ogunmakin@shu.ac.uk
28th June, 2002

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Dear Sir,

Re: A Research Study of the Impacts of Knowledge Management on Commercial Property Business

I write to request for your company's participation in an exciting research into the possible impacts of knowledge management initiatives on commercial property returns and values.

I am a Chartered Valuation Surveyor and a Ph.D Research Student at the Facilities Management Graduate Centre of the above University, with a Supervisory Team headed by Professor If. Price (Tel: 0114 2254032).

Over the past few years, the real estate industry has been faced with vital changes impacting on its business. Amongst these are the increasing globalisation of services, revolutionary application of new technologies to information management, increasing client awareness and demand for more flexible delivery of services.

Though properties could be similar in architectural / structural merits, they were traditionally differentiated only in terms of location, use and age. However, according to some commentators, in response to the changing market, products can now be differentiated through unique service delivery processes and tools. Companies are being advised to invest more in staff reorientation, new work practice and efficient storage and retrieval of vital knowledge. Does this translate into cost reduction, increased demand for products and client satisfaction? Does it in any way impact on investment returns and property values?

The research has two stages. The first is to establish how far, in practice, key players in the sector have moved to adopt 'knowledge management practices'. The second will be to pursue, through a case study of a Property Business implementing such initiatives, whether there have been 'returns' on that investment. All information gathered will be statistically aggregated to ensure confidentiality.

As a key player in this sector, I would appreciate your opinion on this subject and your company's approach. On the average, the attached questionnaire should take about 15 minutes to fill in.

When the survey is complete, I would be pleased to discuss with you how your company compares with the average on a scale of effective innovative practices.

Please endeavour to return the questionnaire (4 pages) in the attached freepost envelope (before 20th July, 2002). There is an opportunity to express interest in feedback and willingness or otherwise to participate in the next stage.

Kind regards.

Yours sincerely,

Cyril A. Ogunmakin   *M.Sc, MRICS, IRRV, MBIFM*

fmgc

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THE IMPACTS OF KNOWLEDGE MANAGEMENT

INITIATIVES ON COMMERCIAL PROPERTY RETURNS

AND VALUES

Sheffield Hallam University

1. **Type of Respondent Organisation**

   a) Property Development/Trading Company ☐ 1

   b) Property Investment Company ☐ 2

   c) Occupier ☐ 3

   d) Fund Managers/Institutional Investors ☐ 4

   e) Other   (please specify) .... ☐ 5

2. **Which of the following types of property do you own (interests over 25 yrs) / manage?**

   a) Commercial (offices- B1 Use) Only ☐ 1

   b) Retail (A1, A2 & A3 Uses) Only ☐ 2

   c) Leisure ☐ 3

   d) Shopping Complex ☐ 4

   e) Industrial (including Research Office-B2) ☐ 5

   f) Mixture   (please specify) .... ☐ 6

   Excl.

3. **What is the total no of employees in your organisation?**

   a) 1 - 100 ☐ 1

   b) 101 - 250 ☐ 2

   c) 251 - 500 ☐ 3

   d) 501 – 1000 ☐ 4

   e) Over 1000 ☐ 5

4. **What is the geographical spread of your company's core activities?**   Excl.

   ☐ International   ☐ National   ☐ Regional   ☐ Local
   1   2   3   4

5. **How many properties are currently in your company's asset portfolio?**   Excl.

   ☐ 1-25   ☐ 26-50   ☐ 51-100   ☐ 100-200
   1   2   3   4

   More than 200 (please specify)..........   (5)

6. **What proportion of your company's tangible assets is the real estate portfolio?**   Excl.

   ☐1 10-25%   ☐2 26-50%   ☐3 51-75%   ☐4 76-100%

7. **Has this portfolio changed (in size) in the last five years?**

   ☐2 No   ☐1 Yes

8. **If your answer to 7 is yes, what sort of change?**

   ☐ Increased   ☐ Decreased   Other (please specify)..........
   1   2   (3)   Excl.

9. **In the management of your real estate assets, what proportion of the following do you directly undertake? Where 1 = Whole and 2 = Part**

	1	2
a) Determining corporate strategies (including ethos, staffing, goals etc)		
b) Determining Investment strategies (including acquisition/ sale & funding)		
c) Business Process (daily / routine operations)		
d) Property or Facilities Management		

a) Property Management only
b) Facilities Management only
c) Operations (such as IT service management)
d) Mechanical & Electrical
e) Fit-out works only
f) Others (please specify) ....

☐ 1
☐ 2
☐ 3
☐ 4
☐ 5
☐ 6

11. Why do you outsource part / whole of these services (please skip if not applicable)**?**

a) Cost efficiency
b) Lack of synergy with our core business
c) It is currently the fashion to do so
d) Inadequate skilled staff
e) Others (please specify) ....

☐ 1
☐ 2
☐ 3
☐ 4
☐ 5

SECTION B: STAFF, TOOLS, BUSINESS PROCESS AND CUSTOMER SERVICES

12. What is your perception of your company's relationship with your customers or occupiers?

☐1 Landlord   ☐2 Service Provider   ☐3 Neither

13. Do you have a customer complaint system? (if no please go to Q 17)

☐2 No   ☐1 Yes

14. If yes, do you consider this system efficient? i.e resolving the complaints and providing a feedback within a specified period

☐2 No   ☐1 Yes

15. What is the specified turn around time for your system?

☐1 A week   ☐2 A month   ☐3 Other (please specify)..............

16. Please rank the following according to their description of your company's policy orientation; *where 1= Never / Infrequently, 2 = Sometimes, 3 = Always / Frequently;*

```
        1               2               3
```

Never / Infrequently   Sometimes   Always / Frequently

	1	2	3
a			
b			
c			
d			
e			
f			

a) Daily operational decisions regarding our property interests are solely determined by the relevant employees without recourse to their colleagues or Management
b) Directors or Management level staff routinely make critical decisions regarding our property (e.g lease terms, rent negotiation)
c) Tenants' opinions are sought before designing our products e.g level of specification and lease structure
d) We consult our property agents before designing our products e.g level of specification and lease structure
e) We involve tenants in our service planning
f) We are prepared to grant flexible leases and covenants

1
2
3
4
5
6

g) Tenant satisfaction influences our lease terms (in a feedback process)

h) We maintain courtesy contact with our tenants on issues regarding our company and investments after lease completion

i) We run a 'hot-housing' (see under) policy

j) We collate and review our in-house knowledge of tenants, competitors and the market

k) Data and information in our archives are centrally accessible to all staff

* **Hot-housing**: Identifying most valuable tenants/clients and ensuring they receive qualified or special service.

g			7
h			8
I			9
j			10
k			11

17. Have you introduced any new practice or modification to your work culture in the last five years?

[1] Yes   [2] No

18. Have you restructured your information management system / I.T in the last five years?

[1] Yes   [2] No

19. Which of the following does your I.T system include? (pls tick as appropriate)

[1] Emailing / electronic correspondence   [2] Scheduling/diarising

[3] Electronic Document Management   [4] Shared database(s)

[5] Web enabled   [6] Remote Access to desktop / server

20. **Please rank the following according to their degree of relevance to your company;** *where 1= Not Critical, 2= Ambivalent, 3= Critical;*

```
        1        2        3
<------------------------------>
   Not Critical  Ambivalent  Critical
```

a) Ability to centrally store and retrieve data promptly & effectively

b) Stream-lining procedures to eliminate duplication

c) Continuous investment in IT (hardware / software)

	1	2	3	
a				1
b				2
c				3

21. **Please rank the following according to their description of your company's operations;** *where 1= Strongly Disagree, 2= Disagree, 3= Neutral 4 = Agree & 5= Strongly Agree;*

```
        1      2      3      4      5
<------------------------------------->
 Strongly Disagree   Neutral   Strongly Agree
```

a) We encourage our staff to work independently on projects / duties

b) We place a premium (& reward) on individual employee knowledge/experience and specialist know-how

c) Employees are rewarded based only on length of service with our company

	1	2	3	4	5
a					1
b					2
c					3

386

d) Employees are encouraged to record and share specialist know-how

e) We constantly scan the market on opportunities and competitor activity or threats

f) We always seek to identify our strategic weaknesses and solutions

g) We carry out a regular audit of employee skills & knowledge

h) We have a policy that encourage minimal use of papers & favour electronic versions

i) Employees operate strictly as members of teams and not independently

j) Staff satisfaction is rated as important as shareholder's satisfaction

k) Staff are encouraged/ retrained to do own secretarial work

l) We operate long-run strategic corporate plans for a period of years

d					
e					5 6
f					
g					7 8
h					
i					9 10
j					
k					11
l					12

22. Please rank the following according to their importance to your company, as a working tool or data storage; *where 1= Completely unimportant, 2= Fairly unimportant, 3 = Intermediate, 4 = Fairly Important & 5= Very Important ;*

$$\overset{\longleftrightarrow}{\quad}$$

1	2	3	4	5
Completely Unimportant		Intermediate		Very Important
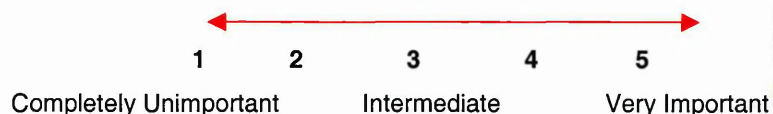
a) Company intranet network

b) E-mail or electronic correspondence system

c) The www/Internet (modem only)

d) Broadband or leased line Internet connectivity

e) Company website

f) Short-wave radio communication system

g) Land Phones

h) Mobile Phones

i) Paper Mail- correspondence system

j) Stand alone personal computer storage

k) Network database

l) Advertising through journals & electronic media

m) Staff access to company server & databases from outside the office (such as our other buildings or home)

n) Our tenants & prospective customers have secured access to an interactive or virtual database(s) via our website

	1	2	3	4	5	
a						1
b						2
c						3
d						4
e						5
f						6
g						7
h						8
i						9
j						10
k						11
l						12
m						13
n						14

23. What do you understand by knowledge management?

a) Know nothing of it

b) It involves the application of new I.T/I.S to achieve corporate goals and creation of centrally accessible database (s) of corporate know-how.

c) It is the reorientation of existing human resource to a new work practice

d) It is the employment & management of knowledge / skilled workers

☐ 1

☐ 2

☐ 3

☐ 4

e) It is the creation, distribution and utilisation of staff know-how

f) It is the maximisation of our knowledge resource to satisfy & enhance our customer relationship

g) It is all of b-f

24. Have you implemented any knowledge management initiatives in your company?

☐ 1 Yes   ☐ 2 No

25. If yes, what initiatives?

....

....

....

Thank you very much for taking out the time to respond to these research questions.

Name:...

Job Title:...

Would you be interested in a feedback & follow-up interview?   Yes

                                                                          No

Appendix II

Stage 2: Questionnaire (via Lotus Notes)

New Memo - Lotus Notes

File Edit View Create Actions Text Help

Welcome | Cyril Ogunmakin - Sent | Bruntwood Employee Survey (Please Respond Promptly) | New Memo

Send | Send and File | Save As Draft | Address... | Delivery Options... | Tools

Cyril Ogunmakin
07/15/03 09:45 PM

To: Head Office
cc:
bcc:
Subject: Bruntwood Employee Survey (Please Respond Promptly)

Dear All,

As part of a postgraduate study at Sheffield Hallam University, I am attempting to establish the impact(s) of 'Management Initiatives' on commercial property businesses in the North West. The Directors have approved the sampling of all staff working for Bruntwood (including subsidiaries) as a case study. Though all completed questionnaires will be kept confidential, I have agreed to provide the **summary** of this survey to Directors (and staff), to aid the continuous improvement of company policies and strategies.

Therefore, kindly follow the following steps in order to complete the schedule and return promptly:

1. Click on the **"Reply with history"** button above;
2. Please fill in the answer schedules **below** each set of questions, by clicking on the top row buttons corresponding to the question and picking only one of the option check boxes (click again to remove check in box if you make a mistake);
3. When you have finished, please send immediately ;
4. In accordance with Bruntwood's email etiquette, please delete the original email from your inbox to free up space on the server and your inbox
5. Thank you

Cyril
(I am on 07808714506 if you have any query please!) - **Please reply before Thursday 24th July, 2003**

_____

EMPLOYEE SURVEY (answer schedules are below each set of question):
CAUTION: Some questions are in reverse form (i. e. negative) and should be considered carefully !

1. How long have you worked for Bruntwood?
2. I understand the meaning of the 'Bruntwood Way'

3. I find my work stimulating and satisfactory

4. The information I require to do my job is usually easy to trace within our database(s)

Body of message

Cyril Mobile

notes

File Edit View Create Actions Text Table Help

Welcome | Cyril Ogunmakin - Sent | Bruntwood Employee Survey (Please Respond Promptly) | New Memo ✕

Send | Send and File | Save As Draft | Address... | Delivery Options... | Tools

Cyril Ogunmakin
07/15/03 09:45 PM

To: Head Office
cc:
bcc:
Subject: Bruntwood Employee Survey (Please Respond Promptly)

5. There is lack of consistency in how information is filed away by different people
6. The company shared database/network makes my job more efficient
7. The company's physical archiving method makes information retrieval easy
8. I am satisfied with the CMS/ Lotus Notes
9. The BTRS or TRAMPS makes my job more efficient
10. I need more resources (equipment or facilities) to do my job well
11. Access to the internet has been beneficial to me
12. I receive a lot of information at work that is irrelevant to me
13. I understand the need for monitoring mails on the company network
14. I agree with the method of monitoring internet access or mails at work

Answer Schedule Que 1- 14

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |

☐ Strongly Disagree   ☐ Agree
☐ Disagree   ☐ Strongly Agree
☐ I don't know

15. My office (or physical) environment contributes to my working efficiently
16. I feel valued by the rest of my team or colleagues
17. Keeping information or knowledge to myself make me valuable to my colleagues
18. My colleagues share all necessary information with me

Body of message

Default Sans | 10 | [None] | Unable to encrypt saved mail because the mailfile specified in your current location (mail\cogunmak.nsf) is not on your workspa

393

File Edit View Create Actions Text Table Help

Welcome | Cyril Ogunmakin - Sent | Bruntwood Employee Survey (Please Respond Promptly) | New Memo

Send | Send and File | Save As Draft | Address... | Delivery Options... | Tools

Cyril Ogunmakin
07/15/03 09:45 PM

To: Head Office
cc:
bcc:
Subject: Bruntwood Employee Survey (Please Respond Promptly)

19.   Management ought to give me more responsibilities

20.   My job does not enable me to network with others in the industry

21.   I enjoy many opportunities to socialise with my colleagues in Bruntwood

22.   There are not enough opportunities for me to learn and grow in Bruntwood

23.   I have learnt a lot of new 'useful' skills in this company

24.   My skills/know-how have not been effectively allocated or utilised by Management

Answer Schedule Que. 15- 24

| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |

☐ Strongly Disagree   ☐ Agree
☐ Disagree   ☐ Strongly Agree
☐ I don't know

25.   I usually try to share with colleagues the tacit knowledge I have (i.e knowledge not written down but possessed by you)

26.   Internal company decisions regarding employees are not guided by the company ethos

27.   Management tend to deal with different employees with different standards

28.   The customer service focus of this company is appropriate

29.   I am able to maintain work a balance in work and social life

30.   Bruntwood has a clear vision and mission

31.   My efforts are recognised and adequately rewarded by Management

Body of message

notes

File Edit View Create Actions Text Table Help

Welcome   Cyril Ogunmakin - Sent   Bruntwood Employee Survey (Please Respond Promptly)   New Memo ✕

Send   Send and File   Save As Draft   Address...   Delivery Options...   Tools

Cyril Ogunmakin
07/15/03 09:45 PM

To: Head Office

cc:

bcc:

Subject: Bruntwood Employee Survey (Please Respond Promptly)

32.   The company policies regarding my job are clearly documented

33.   The Bruntwood Way has made a positive difference to how I work

34.   I believe the organisation culture in Bruntwood has given it a competitive advantage
       compared to rivals in the property market

35.   I am not allowed to suggest new ways of doing my job

36.   I attend too many meeting and gain little from them

37.   Bruntwood should employ more experts to do some of the jobs being done in-house now

38.   I am satisfied with my team(s) structure(s)

39.   I am satisfied with the Organisational structure/ hierarchy in Bruntwood

40.   I find it easy communicating with colleagues not based at the head office

41.   I have suggested ideas in the past, which are yet to be implemented

42.   I have ideas I will like to suggest for further exploration

Answer Schedule Que. 25- 42

| 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 |

☐ Strongly Disagree   ☐ Agree
☐ Disagree   ☐ Strongly Agree
☐ I don't know

Thank you for taking the time out to answer these important research questions. Please indicate here if you would like a summative feedback and then click the
send button.

• Would You like a summative feedback?

• Did you find the questions clear and unambiguous?

Body of message

"Unable to encrypt saved mail because the mailfile specified in your current location (mail\cogunmak.nsf) is not on your workspa

Default Sans   10   [None]   Cyril Mobile

Welcome | Cyril Ogunmakin - Sent | Bruntwood Employee Survey (Please Respond Promptly) | New Memo

Send | Send and File | Save As Draft | Address... | Delivery Options... | Tools

Cyril Ogunmakin
07/15/03 09:45 PM

To: Head Office
cc:
bcc:
Subject: Bruntwood Employee Survey (Please Respond Promptly)

41.   I have suggested ideas in the past, which are yet to be implemented

42.   I have ideas I will like to suggest for further exploration

Answer Schedule Que. 25- 42

| 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 |

☐ Strongly Disagree   ☐ Agree
☐ Disagree   ☐ Strongly Agree
☐ I don't know

Thank you for taking the time out to answer these important research questions. Please indicate here if you would like a summative feedback and then click the send button.

- Would You like a summative feedback?

- Did you find the questions clear and unambigous?

Summative Feedback?	Clarity?
☐ No	
☐ Yes	

PLEASE SEND NOW !

Body of message

396

Default Sans 10 [None]   Unable to encrypt saved mail because the mailfile specified in your current location (mail\coguimak.nsf) is not on your workspa   Cyril Mobile

Appendix III

Stage 2: Interview Schedule

INTERVIEW GUIDE & PROMPT SCRIPT:

Preliminaries: Greetings (depending on time of day),

Reassurance of confidentiality for 'on tape' record

Interview Start:

1. Briefly, could you please describe your current job in Bruntwood?
2. When you started Bruntwood, did you have any previous experience of property investment/development?
3. Why did you start with industrial and why the subsequent change to predominantly commercial property investments?
4. What made you decide to start doing things differently from other property investors – in what some refer to as American approach?
5. In May 1997 the company got the Inv in People accreditation and in 1999 commenced an initiative known as Kaizen, what were the drivers to starting these and are there gains from this still being derived?
6. About 5 years ago, the company core values became enshrined in the phrase known as the 'Bruntwood Way'. How did you get the other Directors in particular and employees to adopt and live this concept?
7. The expenditure on introducing and sustaining this initiative, would you say it has yielded any dividend with employees, suppliers and customers? If so what?
8. Would you say the B.W has made any impact on Bruntwood's
   - overheads and property costs on annual basis
   - market presence
   - Annual growth and value of the company's portfolio

Sheffield Hallam University

BRUNTWOOD

9. How easy did you find relinquishing the M.D role in 1999 and increasingly delegating your duties ever since?

10. What are the advantages of working in a team formation?

11. What would you say are the constraints or challenges of working coordinating a team or being a Director?

    - How do you overcome this challenges?

12. Should more works (done internally) be outsourced by Bruntwood and why?

13. Is the procurement and project management style of the company cost effective in the long term as well as short term?

14. What effort does the Board make to determine the impact of their policies on employees and the opinions of employees to initiatives launched?

15. Some employees do not agree that there is a flat structure of management in place in Bruntwood, are they correct?

16. Also some employees consider the lack of clear-cut career progression line, lack of transparent remuneration or incentivisation as a recipe for increasing churn (particularly of more experienced staff) - what do you think?

17. As a Director, do you see any prospect of further development or growth for the company?

18. Do you think the CMS functions are too many or would you say they are insufficient and need additional functions e.g transaction tracker, intelligence reports on ckr

19. Should the company invest in building based web-pages with coded access by customers to key information such as insurance,

BRUNTWOOD

20. Are you able to read scanned documents on your p.c screen? And has this saved any clutters and created more space? How successful has the paperless initiative been?

21. Is there anyway for other colleagues to benefit from the lessons of previous projects or tasks through after project reviews on the CMS or internal seminars?

22. Have you ever used the internet? Have you used an interactive or chat web platform before? Do you know that CMS has a discussion database? Do you know why it was not being used as an ideas board?

23. Does the network monitoring system work efficiently ?

24. There is a school of thought which states that knowledge can be divided into explicit and tacit types (*explain*), how do you think your tacit knowledge could be captured?

25. Do you think the marketing of products and branding of Bruntwood is appropriately pitched?

26. Overall do you feel valued as a member of the Board whose opinion is usually considered before decisions are made?

Thank you very much for discussing your opinions with me today.

- **Cyril Ogunmakin**

BRUNTWOOD

Appendix IV

Bruntwood's Physical Workspace

Bruntwood Headoffice Layout

ELEC/
SWITCH
ROOM

Fire Exit

Revolving Storage
Building/Marketing

Kitchen
Facility

New worktop fitted c/w 3 no.
double socket above.

Staff Rest Area

New raised area

Step (six inches)

Wall J
White Only

Raised Staff Rest Area

Wall F

NO NONSENSE

Paint walls.
colour ref.
DULUX 2080-G90Y

STRATEGIC   STRATEGIC

Insert Salvaged Door

Remove Door & Infill Opening

STRATEGIC

RESPECT

Paint walls.
colour ref.
DULUX 2040-G90Y

Meeting 2

STRATEGIC

VIBRANT

Paint walls.
colour ref.
DULUX 1070-B

CGO

STRATEGIC

Board   Room

Meeting Room

Meeting Room 1

INTEGRITY

Paint walls.
colour ref.
DULUX 1080-Y70R

"HELPING HAND AREA"

Comms Room

Comms Room

Cloakroom

Kitchen

Waiting Area

Reception Area

FEMALES   MALES

Cleaners
Cupboard

Glass Block

Post Room

SHOWER   SHOWER

Line of floor above

ROUNDED

Paint walls.
colour ref.
DULUX 1090-Y90R

To cut out reveals only

Appendix V

Bruntwood Customer Survey
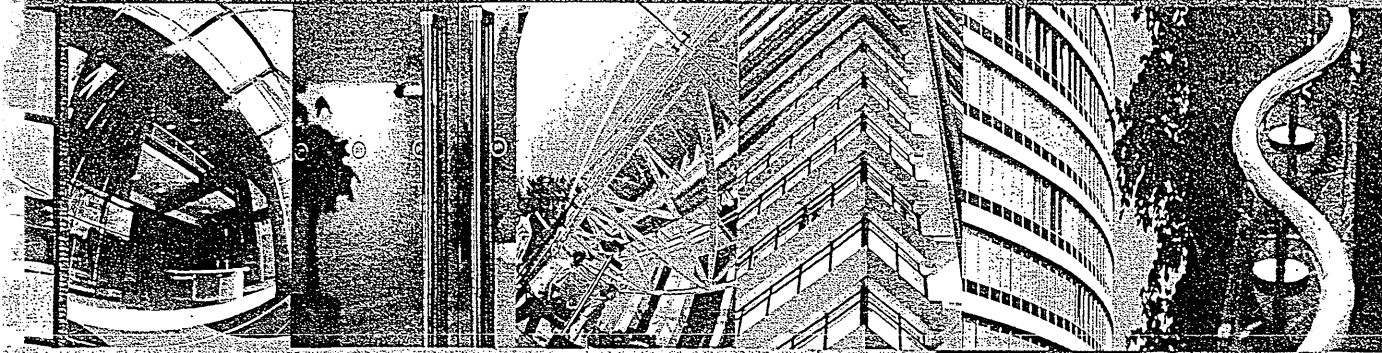
have a break
and complete the
questionnaire

YOUR BUILDING :

In completing this questionnaire, please tick the appropriate boxes or write in your answers where indicated.

YOUR DAILY EXPERIENCE OF THE BUILDING

Q.1 Your daily experience of the building is very important to us.
To help us decide how best to allocate our future investment please indicate the top 3 priorities for your organisation.

please tick one box in each column

	1st priority (112)	2nd priority (113)	3rd priority (114)
Arriving at your building	☐	☐	☐
Car parking	☐	☐	☑
Entering the main reception	☑	☐	☐
Lobbies/stairs/corridors	☐	☐	☐
Using the lifts	☐	☐	☐
Toilets in common areas	☐	☐	☐
Security	☐	☑	☐
Comfort within your suite(s)	☐	☐	☐

Q.2 Thinking again of these 8 aspects of your building, please consider each in turn and...
a) within each aspect tick the **one** issue which is most important to your organisation, and then
b) indicate how satisfied or not you have been with the building over the last 12 months with respect to **each of** the issues

	Q.2a Most important	Q.2b Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
(i) Arriving at your building	(115)							
the overall external appearance of the building	☑	☐	☐	☐	☑	☐	☐	(131)
the visual impact of the site	☐	☐	☐	☐	☑	☐	☐	(132)
the visibility and impact of the building's name	☐	☐	☐	☐	☐	☑	☐	(133)
landscaping	☐	☐	☐	☐	☐	☑	☐	(134)
the effectiveness of directional signs	☐	☐	☐	☐	☐	☑	☐	(135)

Please provide any further comments you wish
to add about arriving at your building (116)

	Q.2a Most important	Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
(ii) Car parking	(117)							
the daily availability of your contractual car parking spaces	☐	☐	☐	☐	☐	☑	☐	(136)
the day to day upkeep of the car park	☐	☐	☐	☐	☐	☑	☐	(137)
the lighting levels within the car park	☐	☐	☐	☐	☑	☐	☐	(138)
directional signage within the car park	☑	☐	☐	☐	☑	☐	☐	(139)

Please provide any further comments you wish
to add about car parking (118)

	Most Important		Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	

ii) Entering the main reception

	Most Important (119)		Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
the cleanliness of the reception area	✓		☐	☐	☐	☐	✓	☐	(140)
the style of the reception area	☐		☐	☐	✓	☐	☐	☐	(141)
effectiveness of your signage	☐		☐	☐	☐	✓	☐	☐	(142)

Please provide any further comments you wish to add about entering the main reception (120)

) Lobbies/stairs/corridors

	Most Important (121)		Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
cleanliness	✓		☐	☐	☐	✓	☐	☐	(143)
décor	☐		☐	☐	✓	☐	☐	☐	(144)
lighting levels (during normal office hours)	☐		☐	☐	☐	✓	☐	☐	(145)
lighting levels (after normal office hours)	☐		☐	☐	☐	✓	☐	☐	(146)

Please provide any further comments you wish to add about lobbies/stairs/corridors (122)

) Using the lifts

	Most Important (123)		Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
reliability	☐		☐	☐	☐	✓	☐	☐	(147)
waiting times	✓		☐	☐	✓	☐	☐	☐	(148)
quality of ride	☐		☐	☐	☐	✓	☐	☐	(149)
internal appearance	☐		☐	☐	☐	✓	☐	☐	(150)

Please provide any further comments you wish to add about using the lifts (124)

Toilets in common areas

	Most Important (125)		Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
cleanliness	✓		☐	☐	✓	☐	☐	☐	(151)
décor	☐		☐	☐	✓	☐	☐	☐	(152)
provision of soap/toilet rolls etc	☐		☐	☐	☐	☐	✓	☐	(153)

Please provide any further comments you wish to add about toilets in common areas (126)

(vii) Security
(127)

	Most Important	Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
making the building safe/secure during normal office hours	✓				✓			(154)
making the building safe/secure out of normal office hours	✓				✓			(155)
the door entry system to your building					✓			(156)
car park security					✓			(157)
site barriers and fencing						✓		(158)

Please provide any further comments you wish to add about security (128)

(viii) Within your suite(s)
(129)

	Most Important	Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
maintaining a comfortable temperature throughout normal office hours Mon-Fri					✓			(159)
ensuring draught proof windows	✓				✓			(160)
ensuring leak proof windows				✓				(161)
ease of window opening (if you have air conditioning tick not applicable)				✓				(162)
glare from windows					✓			(163)

Please provide any further comments you wish to add about your suite(s) (130)

YOUR BRUNTWOOD ON-SITE CUSTOMER SERVICE TEAM

Q.3 If your building has no Bruntwood staff on site, please go to Q.5.

Your Bruntwood on-site Customer Service Team aims to improve your daily experience of the building by working to uphold the quality of our buildings and services. Please indicate how dissatisfied or satisfied you are with the way your team has performed over the last year with respect to being...

	Very dissatisfied	Fairly dissatisfied	Neither dissatisfied nor satisfied	Fairly satisfied	Very satisfied	Not applicable	
professional in appearance					✓		(164)
professional in manner					✓		(165)
capable of delivering what you have requested					✓		(166)
helpful					✓		(167)
reliable					✓		(168)
responsive					✓		(169)
readily available					✓		(170)
proactive					✓		(171)
approachable					✓		(172)
welcoming					✓		(173)

Q.4 Please use the space on the right to feed back any specific comments you have about how your Customer Service Team has influenced your day-to-day experience of the building over the last 12 months.

(175)
(176)
(177)

Q.5 When was the last time your organisation had contact with our Head Office?

☐ In the last 6 months   ☐ 6-12 months ago   ☐ Over a year ago

☐ Had no Head Office contact   ☐ Don't know/ Can't remember   (178)

If you have had no Head Office contact, go to Q.10.   *Not really applicable!*

Q.6 Was this contact initiated by (TICK ONE BOX ONLY)

☐ Your organisation   ☐ Bruntwood   (179)

Q.7 Thinking of the last contact, was it conducted primarily by

☐ letter   ☐ telephone   ☐ e-mail

☐ face-to-face   ☐ Other (write in) _____   (180)

Q.8 Did you feel you made contact with the appropriate person

☐ Very easily
☐ Fairly easily
☐ With some difficulty
☐ With great difficulty
☐ Didn't get through to right person   (212)

Q.9 Was your issue dealt with efficiently?

☐ Yes   ☐ No   (213)

406

5

Q.10 Over the last 12 months have you had any dealings with any part of Bruntwood regarding...

	Yes	No	Don't know	
financial/rent issues	☐	☐	☐	(214)
legal issues	☐	☐	☐	(215)
other issues relating to the property	☐	☐	☐	(216)
hospitality	☐	☐	☐	(217)
a complaint	☐	☐	☐	(218)
something else	☐	☐	☐	(219)

Q.11 Our business relationship with you could lie anywhere between that of strictly tenant-landlord, where we work **for** you, to that of partnership, where we work **with** you to explore how best we can meet your on-going needs. On the scale below please circle where **you think** our current relationship stands.

Tenant-Landlord
Working **for** you

Partnership
Working **with** you

1   2   3   4   5   6   7   8   9   10   (220)

Q.12 And using the scale below, please circle where **you would like** our relationship to be.

Tenant-Landlord
Working **for** you

Partnership
Working **with** you

1   2   3   4   5   6   7   8   9   10   (221)

Q.13 What, if anything, must we do to achieve, or maintain, the relationship you identified in Q12?

WRITE IN

(222)
(223)
(224)
(225)

Q.14 Please choose those words or phrases which best describe your perception/experience of Bruntwood.

☐ Innovative	☐ Efficient	☐ Proactive (226)
☐ Customer focussed	☐ Ethical	☐ Over priced (227)
☐ Flexible	☐ Approachable	☐ Poor communicators
☐ A company which provides high quality product	☐ Offering value for money	☐ Lacking in business acumen
☐ A company which cares about your business needs	☐ Difficult	☐ Inflexible
☐ Trustworthy	☐ Unprofessional	☐ A stereotypical landlord
☐ Reliable	☐ Reactive	☐ Inefficient
☐ Resourceful	☐ Aggressive	

Q.15 Thinking of other people you meet through business...

	Yes	No	
would you recommend Bruntwood to them?	☐	☐	(228)
have you recommended Bruntwood to them?	☐	☐	(229)

booking, theatre/cinema reservations, car valeting), cleaning, minor maintenance, security services, etc. What, if any, business or other related services might you be interested in?

WRITE IN

(230)
(231)
(232)
(233)

Q.17 In the last 12 months how could we have improved your or your staff's experience of working in a Bruntwood Building?

WRITE IN

(234)
(235)
(236)
(237)

ABOUT YOUR ORGANISATION

Q.18 How many of your organisation's employees work in or from this building?

WRITE IN No.

(238)
(239)
(240)

Q.19 In a year's time, do you think this number will have

☐ increased ☐ decreased ☐ or stayed the same (241)

Q.20 Who is the most senior person in your organisation who is based in this building?

NAME (242)

JOB TITLE (243)

Q.21 Who is the most appropriate contact for day to day building issues?

NAME (244)

JOB TITLE (245)

Q.22 What is your position in the organisation?

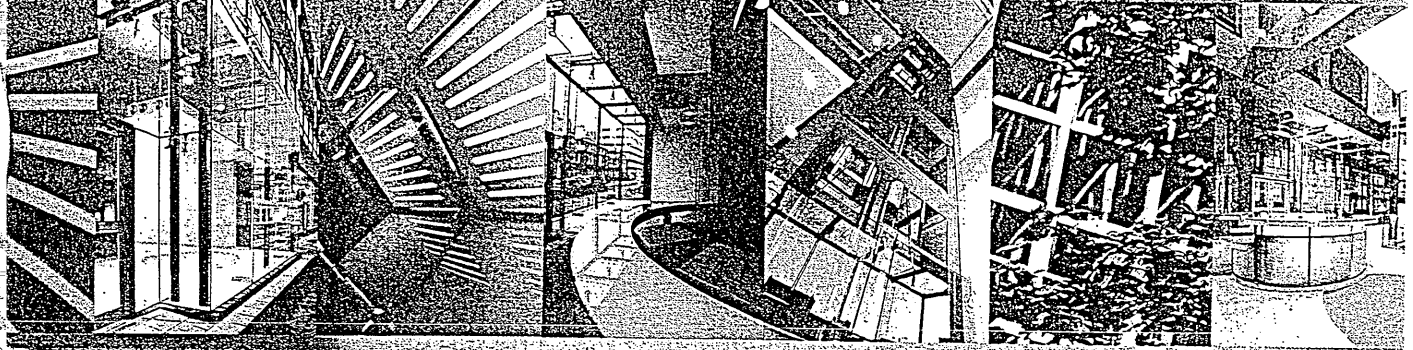☐ I am the person recorded at Q.20 ☐ I am the person recorded at Q.21 (246)

NAME (247)

JOB TITLE (248)

Thank you for taking the time to complete this questionnaire.
Please return it in the pre-paid envelope provided.

408

7

62

13 April 2004 06:43:00

Message

From:	"John Owen" <JohnO@qsr.com.au>
Subject:	RE: Support request (COPYRIGHT ISSUE)
To:	<C.Ogunmakin@shu.ac.uk>
Cc:	"Helpdesk" <helpdesk@qsr.com.au>
Bcc:	Cyril OGUNMAKIN(SED)

Dear Cyril,

I confirm that you are free to distribute the NVivo demo CD with your research.

Good luck with your research.

Regards
John Owen
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