#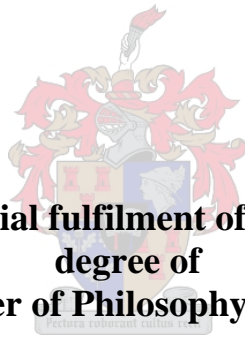 SUSTAINABLE COMPETITIVE ADVANTAGE THROUGH ORGANISATIONAL LEADERSHIP AND LEARNING IN A SERVICE ENVIRONMENT: A RESOURCE-BASED VIEW

PAMELA B. SNYMAN

Thesis submitted in partial fulfilment of the requirements for the degree of
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Supervisor: Prof. C.A. Kapp

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DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted it at any university for a degree.

Signature: _____

Date: _____

ABSTRACT

The determination of what the concept 'sustainable competitive advantage' means within a service environment and the consequent establishment of key resources within Pam Golding Properties and the role that leadership and the creation of a learning organisation play, formed the core of this study. The case study was therefore undertaken to glean relevant information from reality in order to determine which resources that can be described as intangible assets and competences contribute in a sustainable manner to the organisation's competitive advantage in a dynamic and changing business environment.

Existing and historical resources including leadership and learning within the organisation were identified by means of semi-structured interviews with a range of company executives. These resources were then assessed by means of questionnaires that were distributed to a wide range of stakeholders within the organisation in terms of value for the client, sustainability and transferability. These outcomes, in turn, provided the basis for conclusions and recommendations for future utility in order to maintain competitive advantage that would ultimately lead to sustained superior performance on all fronts.

The findings that were made, culminated in a visual representation of leadership and organisational learning that form the core of the organisation and simultaneously illustrating their interdependence with the other key resources, namely organisational culture, the Pam Golding Properties brand, reputation, teamwork, relationships, systems and procedures, managers and agents. These resources form the essence of the organisation.

The organisational culture within Pam Golding Properties that is representative of the core values of integrity, honesty, sincerity and service delivery was found to be the overall resource that provides the organisation with sustainable competitive advantage. This was closely followed by the value of the brand and reputation, teamwork and inter-personal relationships, the utilisation of efficient systems and procedures and the recruitment and retention of competent managers and agents.

Organisational leadership was found to instil confidence in the organisation. A common, shared vision that is understood and underwritten by all employees is however lacking and

change needs to be managed in such a way that the organisation's core ideology is not compromised, but an envisioned future should be communicated throughout. The brand carries out the promise of the culture and core values, but can be tarnished if the reputation for service excellence is not upheld and it can lose credibility if expectations are not met. The brand thus needs protection from within and this can only happen if the people in the organisation share in the process of and toward an envisioned future.

It was established that meaningful change presupposes continual improvement in a dynamic, yet sustainable organisation. It was therefore also recommended that a concerted effort be made to actively promote and strive towards the company becoming a true learning organisation in order to sustain its culture, brand, reputation and other intangible assets and competences.

In the event that these and other recommendations in terms of resources are seriously considered and strived for by company leaders, this organisation should be an example to the rest of the world regarding sustainable competitive advantage.

OPSOMMING

Die bepaling van wat die konsep 'volhoubare mededingende voordeel' beteken binne 'n diensomgewing en die daaropvolgende vasstelling van sleutelhulpbronne binne Pam Golding Eiendomme en die rol wat leierskap en die skep van 'n leerorganisasie speel, het die kern van hierdie studie gevorm. Die gevallestudie is dus onderneem om toepaslike inligting vanuit realiteit te werf, om sodoende vas te stel watter hulpbronne wat as ontasbare bates en bevoegdhede beskryf kan word, op 'n volhoubare wyse tot die organisasie se mededingende voordeel bydra in 'n dinamiese en veranderende sake-omgewing.

Bestaande en historiese hulpbronne insluitend leierskap en leer binne die organisasie is geïdentifiseer by wyse van semi-gestruktueerde onderhoude wat met 'n aantal uitvoerende lede van die maatskappy gevoer is. Hierdie hulpbronne is daarna deur middel van vraelyste wat aan 'n breë reeks insethouers binne die organisasie versprei is, geëvalueer in terme van waarde vir die kliënt, volhoubaarheid en oordraagbaarheid. Hierdie uitkomste het weer die basis verskaf vir afleidings en voorstelle wat gemaak is ten opsigte van toekomsbruikbaarheid om mededingende voordeel te behou wat uiteindelik tot volhoubare superieure verrigting op alle fronte sal lei.
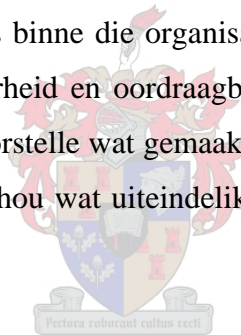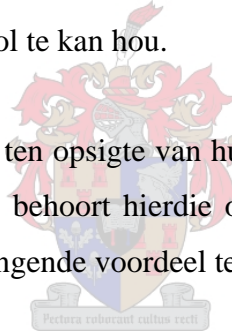
Die bevindings wat gemaak is, het in 'n visuele voorstelling van leierskap en organisasieleer gekulmineer, wat die kern van die organisasie uitmaak en tegelykertyd hul interafhanklikheid illustreer ten opsigte van die ander sleutelhulpbronne, naamlik organisasie-kultuur, die Pam Golding Eiendomme handelsnaam, reputasie, spanwerk, verhoudings, stelsels en prosedures, bestuurders an agente. Hierdie hulpbronne maak die essensie van die organisasie uit.

Die organisasie-kultuur binne Pam Golding Eiendomme wat verteenwoordigend is van die kernwaardes van integriteit, eerlikheid, opregtheid en dienslewering het as die oorhoofse hulpbron uitgestaan wat die organisasie van volhoubare mededingende voordeel verseker. Dis gevolg deur die waarde van die handelsnaam en reputasie, spanwerk en inter-persoonlike verhoudings, die benutting van doeltreffende stelsels en prosedures en die werwing en retensie van bekwame bestuurders en agente.

Daar is bevind dat organisasie-leierskap vertroue in die organisasie skep. 'n Gemeenskaplike, gedeelde visie wat deur al die werknemers verstaan en onderskryf word, kom egter kort en verandering behoort op só 'n wyse bestuur te word, dat die organisasie se kern-ideologie nie onder verdenking gebring word nie, maar 'n gevisioneerde toekoms behoort deurgaans gekommunikeer te word. Die handelsnaam dra die belofte van die kultuur en kernwaardes uit, maar kan skade opdoen as die reputasie vir diensuitnemendheid nie onderhou word nie en dan kan geloofwaardigheid ingeboet word indien daar nie aan verwagtinge voldoen word nie. Die handelsnaam moet dus van binne uit beskerm word en dit kan slegs gebeur indien die mense in die organisasie aan die proses van 'n gevisioneerde toekoms deelneem.

Dit is bevind dat betekenisvolle verandering aaneenlopende verbetering in 'n dinamiese, dog volhoubare organisasie veronderstel. Daar is dus ook voorgestel dat 'n doelbewuste poging aangewend word dat die wording van 'n ware leerorganisasie aktief gepromoveer en nagestreef behoort te word om sodoende die kultuur, handelsnaam, reputasie en ander ontasbare bates en bevoegdhede vol te kan hou.

Indien hierdie en ander voorstelle ten opsigte van hulpbronne ernstig deur die maatskappy se leiers bedink en nagestreef word, behoort hierdie organisasie vir die res van die wêreld 'n voorbeeld van volhoubare mededingende voordeel te wees.
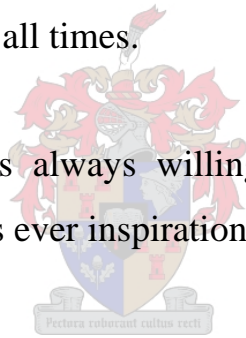
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CHAPTER 1
OVERVIEW AND ORIENTATION

1.1 INTRODUCTION

Pam Golding Properties (PGP) is a private South African company that specialises in selling immovable property. It is the largest privately owned real estate organisation in the country and is proprietor to a very well known brand. Pam Golding Properties has experienced rapid expansion over the past number of years, especially the past ten years, and its historical success is attributed to the organisation's core competences as being integral to its substantial achievements.

The company's mission is described as one that provides each of its clients with a world-class standard of personalised real estate service, whilst upholding its reputation for sincerity, integrity and professionalism. These competences have provided a distinct advantage to the company in the past and now, after thirty years of constant growth and development within the property industry, it has become necessary to determine the key factors that would ensure not only survival in today's extremely competitive business environment, but also sustainable growth and compounded success in the future.
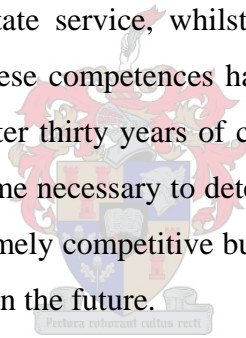
1.2 BACKGROUND TO THE PROBLEM

The company chairman summarises her belief in the company's competences as follows: 'I have always believed that there is no substitute for professional service, integrity and passion. We've built our business on these principles; they are still the cornerstones of our success and why our clients choose us' (PGP, 2004). This statement gives a brief but direct indication of the principles and competences by which the company is lead. These principles are cited as the reason for the company's success, but indirectly indicate a need for concern, as success and complacency can easily complement one another.

The necessity to remain 'ahead of the pack' is incumbent on the company's willingness to develop its competencies. The modern environment in which organisations operate is extremely turbulent due to on-going change due to factors like globalisation, changing demands and sharpened competition in the market place. The nature of doing global business

in today's environment means, as reported by O'Keeffe (2003), is not just doing business across national borders, but ever-expanding competition as well and this also indicates further challenges. He also stresses that 'lifelong learning is now accepted as *sine qua non* for business success…' (O'Keeffe, 2003:239).

It has been acknowledged by Lindley and Wheeler (2001) that an organisation's ability to learn faster than its competitors is the organisation's only truly sustainable competitive advantage. Clearly an organisation's level of learning is indicative of the advantage that that organisation has over its competitors and learning would include the creation and use of competences.

Stroebel, the group's marketing director, summarises the need for sustainable competitive advantage with particular emphasis on marketing service: 'Our future success in the real estate industry, both locally and internationally, will clearly depend on our ability to sustain, and indeed enhance, the extent to which we offer our clients a marketing service which is truly superior to that of our competitors' (PGP, 2004). These sentiments demonstrate a need for sustainable competitive advantage with regard to marketing service, but can also be applied to other strategic competences and resources within the organisation.

1.3 RESEARCH PROBLEM
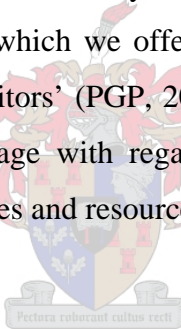
The problem that needs to be addressed, lies in establishing the link between theoretical business/ethical principles as described and espoused by Golding, and the practical application of leadership in order to maintain a significant competitive advantage in PGP as a particular service oriented organisation in order to 'stay ahead' in a highly competitive market by sustaining competitive advantage and ensuring future success by identifying, developing and protecting its key resources.

The identification and assessment of existing organisation resources and the consequent future utilisation of those competencies found to be of the most value – within the concept of sustainable competitive advantage – forms an integral part in addressing this problem.

The elements that make up the concept of 'sustainable competitive advantage' in a service industry therefore need to be ascertained by taking a resource-based view. Establishing what the influence of leadership as a possible contributor to competitive advantage in an

organisation can and should be, as well as to what extent the organisation needs to operate as a ' learning organisation' to contribute to the same goals also need to be investigated. Does a connection exist between organisation resources, leadership and the learning organisation and how do they interact with one another and influence sustainable competitive advantage?

Ever improving business performance requires renewed specialised knowledge and the constant acquisition of up to date skills and a dynamic learning culture within the organisation. In order to remain dynamic and not become complacent an organisation needs to be at the cutting edge of constant renewal that can be provided for by specific research of this type where clarity is sought regarding sustainable competitive advantage with reference to resources, leadership and the creation of a learning environment within the organisation. Figure 1.1 is a representation of the research problem.
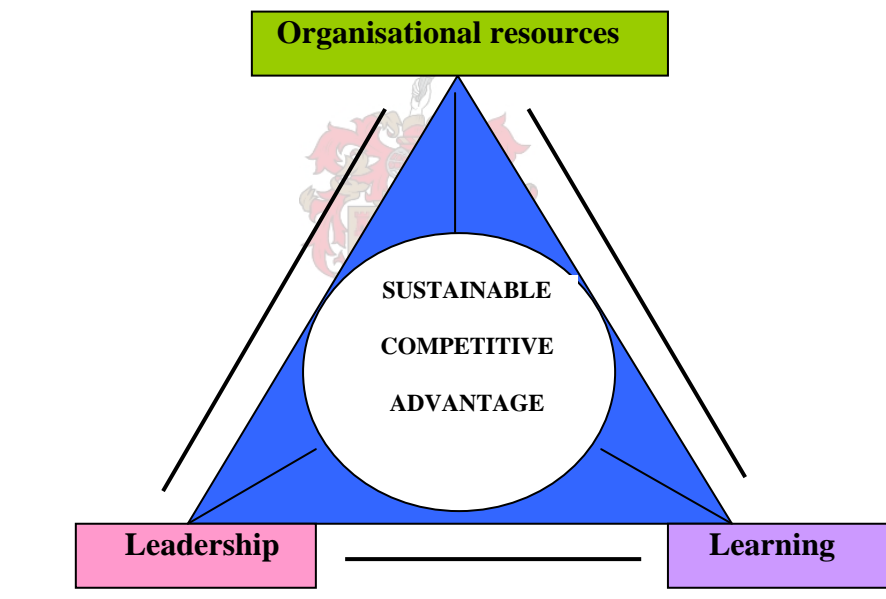
Figure 1.1: Sustainable competitive advantage in relation to organisational resources, leadership and learning within an organisation

The key factors for research would therefore entail the explanation of sustainable competitive advantage by taking a resource-based view thereof; ascertaining the extent of the organisation's existing resources that contribute to its current success as well as assessing and evaluating them for possible future utilisation; determining the type of corporate leadership

that is imperative in today's competitive high-performance environment; and defining the

place of organisational learning within a service oriented company.

Researching these aspects and the extent to which they contribute to PGP and the organisation's overall sustainable success and financial performance is necessary in order to obtain insight into how to ensure superior performance in the marketplace, as well as superior sales and financial performance in future.

The research problem can be summarised as a factual search for sustainable resources or competences within a service company and how leadership within the company and its commitment to constant learning can ensure competitive advantage and thus success.

1.4 RESEARCH GOAL, OBJECTIVES AND QUESTIONS

The ultimate goal of this research is to determine what 'sustainable competitive advantage' within a service organisation entails and consequently to ascertain which resources within Pam Golding Properties have contributed to the company's success so that they can be developed and protected. Establishing the role of organisational leadership in this process as well as the consequential need for renewal through organisational learning form an integral part of this research goal.

- The key objectives in order to attain this goal are:

    to define sustainable competitive advantage in a service organisation;

    to identify which existing resources within Pam Golding Properties can be categorised as strategic assets;

    assessing these resources for future utility;

    to establish what role organisational leaders should play in the context of a resource-based perspective; and

    to determine the importance of organisational learning as a possible strategic resource in an organisation.

- The following research questions need to be answered:

How can sustainable competitive advantage in a service organisation be defined?

Which existing resources within Pam Golding can be categorised as strategic assets/key resources?

What role should organisational leaders play to ensure sustainable competitive advantage from a resource point of view?

To what extent, if at all, is organisational learning a strategic asset in a service organisation?

Which key resources need to be developed and protected for future utilisation?

1.5 OVERVIEW OF RELATED LITERATURE

The concept of competitive advantage is defined as follows: '…the asymmetry or differential in any firm attribute or factor that allows one firm to better serve the customers than others and hence create better customer value and achieve superior performance' (Ma, 1999:259). Three generic source bases are categorised from which an organisation can gain in order to serve its customers better than its competitors: ownership-based, proficiency-based and access-based (internal and external) sources. The internally based resources that are discussed namely, ownership and proficiency-based sources can be associated with a service organisation. Ownership-based resources include assets from which the organisation can get an advantage over its competitors by providing a superior service include, exceptional management talents (leadership), superior organisational culture and a good corporate reputation. Proficiency-based resources are: technical know-how and an intimate knowledge of its customers as well as the ability to identify market opportunities. The advantage lies thus in knowledge, competence and capabilities of an organisation that enable it to conduct its business more effectively and or efficiently than its competitors. When aligning these resources to the obtaining of global competitive advantage, he (Ma 2004) builds this resource-based view out further by also relating to ownership of valuable assets, factors, or attributes like strong market position, unique resource endowment, superior knowledge within the firm, competence, or capabilities in conducting and managing its business processes.

A valuable model is provided by Fahy (2000) by which sustainable competitive advantage can be assessed by evaluating tangible and intangible resources as well as capabilities (competencies) in accordance with the creation of value, barriers to duplication and appropriability within the domain of the resource-based view of the firm. These resource characteristics are relevant in a service environment in that 'value' of key resources relate to

satisfying client needs and need to be valuable or enable value in that sense. The inability of competitors to duplicate resources is an important characteristic of key resources as they must be difficult to imitate and their benefits are not easily substituted. When value has been derived from a source it must be appropriated and 'appropriability' relates to the value of a key resource that lies within the organisation and not with its employees i.e brands and copyright.

Intangible assets identified by Fahy that relate to service organizations are: intellectual property, network or communication systems, databases, reputation and client trust. Similarly, capabilities (invisible assets) include: skills of individuals or groups teamwork, organisational culture, organisational history, learning-by-doing and managerial skills (leadership).

As part of Kaplan and Norton's strategy map that illustrates the creation of sustainable value within an organization, is the learning and growth perspective as represented by the organisation's intangible assets i.e. human capital, information capital and organisation capital. The importance of leadership's role in aligning these intangible assets to the strategy of the organisation is stressed. Hence, alignment is necessary for leaders to facilitate the implementation of new strategies in the 'changed environment of global competition, deregulation, customer sovereignty, advanced technology and competitive advantage derived from intangible assets' (Kaplan & Norton, 2004:11). Intangible assets mentioned by Kaplan and Norton that can contribute to a service environment include skills, talent, knowledge, culture, leadership, teamwork and the application of information systems and knowledge.

Chaharbaghi and Lynch (1999) also take the concept of sustainable competitive advantage further than merely the discussion of generic sources and their advantages. They include implications and further opportunities for a dynamic resource-based strategy by means of resource management as well as resource development and particularly stress the importance of 'sustainability' as meaning constant changing, adapting and altering. They distinguish between competitive and strategic advantage within an organisation and it is their idiosyncratic technologies, knowledge resources, patents, location advantage, reputation and brands, i.e. what they describe as 'competitive resources' that can relate to service organisations.

By expanding the scope of resources by adding distinctive competencies in the form of forming coalitions, forward integration (overseas marketing) and effective use of information technology as sources of sustainable competitive advantage, Mazzarol and Soutar (1999) also add an international or global dimension to the concept and contribute brand identity including a quality image and high market profile, organisational culture and organisational learning as distinctive competencies that are a source of competitive advantage. These competencies are relevant to a service organisation.

Wang and Hing-Po (2002) introduce an integrated hierarchical model in order to address the multiple levels of competition in the modern changing corporate environment. They stress that the deepest level of competence which forms the basis of competitive advantage lies in a company's vision as a proper culture needs to be created that espouses values across the multiple levels of competition. Knowledge and learning within the firm are also emphasised as essential resources for sustainable competitive advantage and organisational learning as a component of the resource-based view, is also propagated by Smith, Vasudevan & Tanniru (1996).

The categorisation of resources within an organisation into mainly 'tangible' and 'intangible' assets as well as 'capabilities' by Fahy (2000) is expounded further by Nyhan, Cressey, Tomassini, Kelleher & Poell (2004) who stress that a learning organisation needs to ensure coherence between the 'tangible' and 'intangible' dimensions of an organisation.

In their discussion of the application of resource-based theory, Mills, Platt and Bourne (2003) contribute three metrics by which organisation resources can be evaluated, namely value, sustainability and portability.

Resource-based theory is firmly entrenched in modern literature and provides us with a deeper understanding of competitive advantage and the challenges it holds for the sustainable future of organisations in the modern business environment.

1.6 CLARIFICATION OF KEY CONCEPTS

The concepts and terminology that relate to this case study are clarified
in accordance with their particular relevance to this study as follows:

- Competitive advantage – what an organisation does or needs (competencies and assets) in order to achieve superior performance and to outperform its competitors

- Sustainable competitive advantage – those competencies and assets that provide the organisation with the ability to achieve superior performance that can be maintained by means of 'constant change and adaptation' (Chaharbaghi & Lynch, 1999:46)

- Organisation – an institution where people work together towards a common purpose. It can refer to a corporate, educational or service-type institution.

- Corporate service environment – where service provision is the organisation's main income generating activity and the organisation operates in a corporate environment.

- Organisational learning – the process of active learning that takes place within organisations through individuals, groups and the organisation itself 'for sustaining, supplementing and improving the knowledge and practices related to their core functions' (Gronn, 1997:275) and whereby competitive advantage is created (Smith, Vasudevan & Tanniru, 1996).

- Learning organisation – an ideal form of organisation where continual learning (change) takes place in order to gain sustainable excellence. According to Senge it is an organisation 'continually expanding its capacity to create its future' (Senge 1993:14).

- Resource-based view – taking an organisation's distinctive competences / assets into account.

- Leadership – the ability of an organisation's management to identify, develop and deploy competences and aligning them to the organisation's strategy in order to achieve sustainable competitive advantage.

1.7 DELIMITATION OF THE RESEARCH

The research is has been undertaken primarily, to clarify the meaning of sustainable competitive advantage in a corporate service organisation - as opposed to a manufacturing or production organisation – by taking a resource-based view thereof. Thereafter, the core competencies of Pam Golding Properties, as such an organisation within the property sector of service organisations, are defined with particular reference to leadership and learning within the organisation.

1.8 RESEARCH DESIGN AND METHODOLOGY

The researcher has taken a qualitative approach to obtain understanding of sustainable competitive advantage in a corporate service environment, resource-based perspectives, leadership and the role it has to play in this environment, as well as how organisational learning contributes to the ultimate goal of sustainable competitive advantage. This has been done by means of a comprehensive literature review that originates from diverse parts of the globe in order to get as broad a perspective as possible that can constitute a global perspective. As a result, literature originating from China, Japan, Australia, Greece, Italy, The Netherlands, the USA, England, Wales and Ireland has been consulted. The research design is primarily interpretive.

A case study of Pam Golding Properties has been undertaken in order to contextualise the research problem in real terms. Data was collected from within the organisation to determine the role of organisational resources in PGP's quest for sustainable competitive advantage. In particular the role of leadership, organisational learning and the application of resourced-based theory and methodology as utilised by Mills, Platts and Bourne (2003) in combination with Fahy's (2000) model of sustainable competitive advantage were adapted and applied to suit the needs of a service-oriented organisation, i.e. PGP.

Both empirical and theoretical methods were utilised. For the purposes of this study research methods have been selected to ensure that sound theory development remains central to the process and that the history and context is critical to the validity and applicability of the results.

Data pertaining to historical organisational resources have been generated by means of empirical qualitative research by conducting structured in-depth interviews with a representative sample of company executives. Both intangible resources and capabilities / competences were sourced. By collecting historical data relating to the company's intangible resources and competences for the last five years when the fastest growth period in the company was experienced, the resources that have been identified are substantial. This data (resources) was then analysed and assessed in accordance with existing literature in terms of value, sustainability and transferability by means of questionnaires put to a sample consisting of a representative cross-section of stakeholders, i.e. company executives, managers, estate agents and administrative employees.

The role of leadership and learning within PGP was investigated simultaneously in order to ascertain where and how leadership and organisational learning contribute to maintaining sustainable competitive advantage. This investigative research also formed part of the above-mentioned interviews and questionnaires.

The connection, if any, between organisational resources and competences, leadership and organisational learning was sought and presented in accordance with an adaptation of Fahy's resource-based model of sustainable competitive advantage (Fahy 2000:100) and in conjunction with the research undertaken by Mills, Platts and Bourne (2003). Findings and results are summarised by means of tables and figures.

The researcher's interpretation of results and findings has been expressed in terms of the pertinent literature and of a combination of historical perspectives, a cross-sectional view of the present assessment of resources and competences, as well as the role that these findings can play in future, should provide Pam Golding Properties with valuable information regarding its strategic planning for the future to ensure sustainable competitive advantage and thus superior market, sales and financial performance.

1.9 ETHICAL STATEMENT

Participants in interviews and respondents to questionnaires were ensured of confidentiality throughout the research process and presentation and reporting of results. The subject organisation of the case study utilised for the research, PGP, was also ensured that all information gathered for the purpose of this research will at all times be respected as privileged information for academic use only and no part thereof will be made public at any time, save with the organisation's written consent.

1.10 CHAPTER BREAKDOWN

Chapter 1 provides an introduction to and background of the research problem and goal and puts the research to be undertaken in context.

In order to remain dynamic and not become complacent, sustainable competitive advantage needs to be researched by establishing what the essential elements of the resource-based perspective of a service organisation are as well as the role of leadership and learning within the organisation to ensure that these resources are utilised to obtain and sustain competitive advantage. This advantage leads to superior market, sales and financial performance.

Pam Golding Properties,a rapidly growing service organisation in the property sector and the largest of its kind in South Africa, takes pride in an excellent reputation and phenomenal success. A case study is undertaken with this organisation as subject. The research that is conducted has as its overarching goal to ensure that PGP keeps performing at the highest levels of competency and remains at the forefront of the market by providing superior service - without compromising its values - and still sustains its growth levels.

To achieve this, it is necessary to research what contributes to sustainable competitive advantage in a modern service environment in general, to determine which competencies within PGP can be categorised as strategic to the goal for future utilisation and also to determine what role leadership and learning play within the organisation towards the same goal.
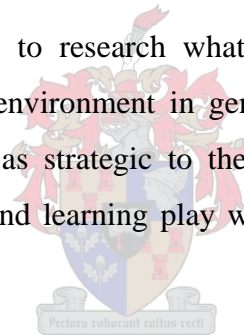
Chapter 2 provides an overview of the consulted literature.
A wide range of current literature that originates from diverse parts of the globe has been consulted in order to get a broad a perspective of what is viewed as topical research regarding sustainable competitive advantage. As a result, a resource-based view has been taken as it is being undertaken in China, Japan, Australia, Greece, Italy, The Netherlands, USA, England, Wales and Ireland.

Each of the following concepts has been taken under review:
- Sustainable competitive advantage
- The resource-based view
- Leadership's contribution to strategic decision-making
- Organisational learning as an integral part of sustainable competitive advantage

Chapter 3 concentrates on the resource-based model of Fahy (2000) in particular and provides an adapted model to suit the needs of a service organisation by utilising the application of resource-based research undertaken by Mills, Platts and Bourne (2003) for determining a manufacturing company's service competence to arrive at a suitable model that can be applied to service organisations.

Chapter 4 is devoted to the research design and methodology followed during the fieldwork undertaken in the case study utilising Pam Golding Properties. The approach to the research is qualitative and based on theoretical as well as empirical methods.

Research tools (incorporating semi-structured personal interviews and questionnaires) have been designed to gather relevant information and data generation relating to the key factors for this research:

- defining sustainable competitive advantage in a service organisation (literature review);
- identifying which historical and existing resources within Pam Golding Properties can be categorised as strategic assets/key resources (interviews);
- assessing these resources (literature and questionnaires);
- establishing what role organisational leaders should play in the context of a resource-based perspective (literature, interviews and questionnaires); and
- determining the importance of organisational learning as a possible strategic resource in the organisation (literature, interviews and questionnaires).

Chapter 5 reports the results and findings of the fieldwork and describes and summarises these findings by means of tables and figures. These findings are also analysed and interpreted.

Chapter 6 documents a synthesis of how the findings relate to the theory and literature as discussed in previous chapters, thus providing connections between findings in the case study and the reviewed literature. Conclusions are made and recommendations are discussed regarding the possible implementation of findings.

1.11 CONCLUSION

Evidence for the need for research into sustainable competitive advantage exists in a service environment and therefore the need to determine the nature of competitive advantage is imperative. In the event that it already exists in an organisation, it is necessary to determine which of the resources that have given rise to the advantage, can be utilised in future in order to sustain it. A case study approach has been selected to obtain this goal, utilising Pam Golding Properties.

A combination of historical perspective, a cross sectional view of the present assessment of resources and competencies, as well as the role that these findings can play in future, should provide Pam Golding Properties with the necessary information to ensure that future strategic planning is aligned with key strategic resources to enable sustainable competitive advantage and continued and improved superior performance in the marketplace.

CHAPTER 2
LITERATURE STUDY

2.1 INTRODUCTION

An understanding of sustainable competitive advantage in a corporate service environment, resource-based perspectives, leadership and the role it has to play in this environment, as well as how organisational learning contributes to the ultimate goal of sustainable competitive advantage is sought by means of a comprehensive literature study. The literature reviewed originates from diverse parts of the world in order to get as broad a global perspective as possible. As a result, literature originating from China, Japan, Australia, Greece, Italy, The Netherlands, the USA, England, Wales and Ireland have been consulted.

Each of the above aspects were reviewed individually i.e. sustainable competitive advantage, the resource-based view of competitive advantage, the corporate service environment, leadership in context, organisational learning as well as the concept of the learning organisation. These aspects were than interpreted collectively, categorised and thereafter summarised in accordance with the research problem, so that clarity and focus could be obtained in preparation of the case study that was undertaken.

2.2 SUSTAINABLE COMPETITIVE ADVANTAGE

The concept of competitive advantage is defined as follows: '…the asymmetry or differential in any firm attribute or factor that allows one firm to better serve the customers than others and hence create better customer value and achieve superior performance' (Ma, 1999:259). If constant (sustainable) superior performance were to be achieved, multiple competitive advantages from generic sources would be required. These sources are either based within the firm, i.e. ownership-based and proficiency-based sources or the advantage can be access-based and lie in external relationships with parties in the operating environment of the firm (Ma, 1999). Ma firmly believes that in order to achieve any advantage in business and especially to achieve superior advantage, a firm 'has to look deeply and systematically into what it has, what it knows and does, and what it can get' (Ma, 2004:911). Amongst others, he stresses superior corporate

culture, exceptional management talents (leadership) and a good corporate reputation as ownership-based sources and organisational knowledge and learning as proficiency-based sources that are all indicative of competitive advantage. A strong market position, unique resource endowment, superior knowledge within the organisation, competence or capabilities in conducting and managing business processes are viewed as attributes that are required for a global competitive advantage.

The essence of success lies in '…creating tomorrow's new opportunities and advantages…' (Megginson and Pedler, 1992:114). They are of the view that competitive advantage lies in an organisation's ability to improve existing skills and to learn new ones, but that many organisations measure their success either against their own previous performance, against the former year's budget or against their competitors' performance. These are historic references that do not look forward to what is possible in future but rely solely on the past. This tends to perpetuate average performance, as current performance may look good against the average. In order to improve and learn it becomes necessary for the organisation to be capable of change with regard to fundamental aspects like values and goals. This view is emphasised by Hurley (2002) who believes that a culture needs to be created that promotes an inspiring vision and builds trust, but takes risks and empowers leadership.
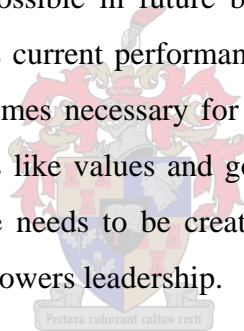
The ever-changing nature of competition in today's corporate world forms the core of Wang and Hing-Po's view of competitive advantage which they see as not only being part of the 'turbulent environment' but simultaneously as the way in which to counter 'multi-level competition' (Wang and Hing-Po 2002:39). In order to sustain competitiveness in the market in which they function, companies need to combine different levels of advantages to enable a balance between long-term and short-term competitive advantage so that they can respond to the rapid changing environment.

They suggest an integrated hierarchical concept that stresses continuous transformation and the interaction of each level of competitive advantage. They contend that organisations compete on four levels: company vision (deepest level), core competence, operational process and ultimately at the product-market level (lowest level). These levels of competition, according to them,

represent the resource base of the firm. To qualify as a core competence or strategic asset, a capability must meet the requirements of 'close integration of skills or technologies, be competitively unique and must contribute to customer perceived value and provide an entry into new markets' (Wang & Hing-Po, 2002:43).

Figure 2.1 represents an adapted version of the model for multi-level competition and the hierarchical competitive advantages (Wang & Hing-Po, 2002)
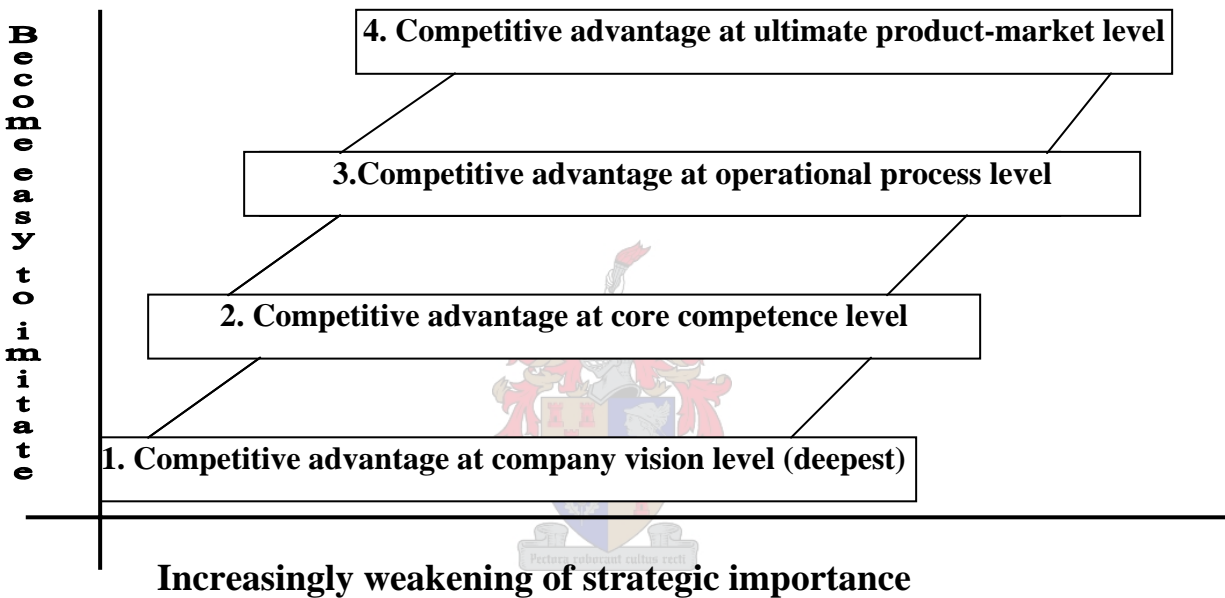
Figure 2.1: Hierarchy of competitive advantage
(Adapted from Wang & Ping-Ho 2002:40)

Each level is viewed as being of equal importance and the interactive relationship between them and their alignment to one another together makes up their model that demonstrates that the deeper levels of competitive advantage provide support for the next level and the lower levels of competitive advantage provide topical information and feedback. This model illustrates an increasingly weakening of strategic importance from the deepest level to the lowest level and they contend that it also becomes easier to imitate as the level rises and thus the reference to 'hierarchical competitive advantages'.

The customers and their needs need to be considered throughout. The role of the workplace as a learning organisation is also emphasised as they describe organisational learning as 'the glue of the hierarchy of competitive advantages' and is viewed as 'inevitably the key element at any level' (Wang & Hing-Po, 2002:46).

The factors that establish and maintain sustainable competitive advantage are discussed in a model that is provided for educational institutions. Mazzarol and Soutar (1999) investigate the possible parallels that can be drawn between management / economic theories of competitive advantage and service industries. They focus on how education institutions might successfully create a competitive advantage in international markets and suggest that success is the outcome of delivering a combination of certain competencies in order to gain and sustain a competitive edge.

2.3 A RESOURCE-BASED VIEW OF COMPETITIVE ADVANTAGE

The concept of a resource-based view of an organisation is based in Mazzarol and Soutar's contention that competitive advantage can be derived from 'internal skills, resources or assets' to which they refer as 'distinctive competencies' (Mazzarol and Soutar, 1999:289). Service quality, reputation and service image are viewed by them as being such competencies.
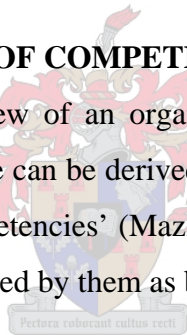
The resource-based view is also held by Fahy (2000), who points out that whilst many ambiguities and differences in conceptual understanding exist in this developing body of knowledge, the resource-based view of the firm contributes greatly to the nature of competitive advantage. He stresses that the resource-based view places emphasis on strategic choice and choice presupposes the tasks of '…identifying, developing and deploying key resources…'(Fahy, 2000:96). He regards the essential elements of this perspective as sustainable competitive advantage and superior performance; the characteristics and types of resources that generate advantage; and strategic management choices. He stresses that executives play an important part in converting resources into value for the customer and that is why identification, development and deployment and managerial skill in these activities 'is in itself a source of sustainable and competitive advantage' (Fahy, 2000:102). Figure 2.2 illustrates the integrated resource-based model of sustainable competitive advantage (Fahy 2000: 100), which demonstrates the

relationship between the organisation's key resources and the role of company leadership in converting these resources into sustainable competitive advantage, which in turn leads to superior performance in the marketplace.
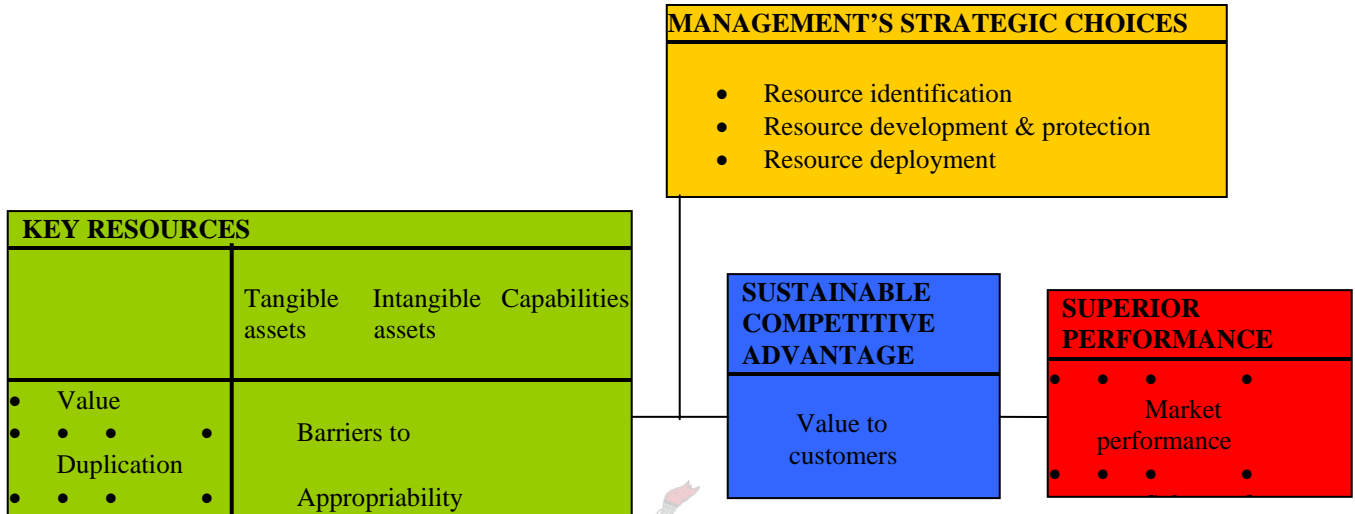
Figure 2.2: A resource-based model of sustainable competitive advantage (Source: Fahy 2000:100)

The essential elements of the model are therefore the organisation's key resources as well as the critical role that management/leadership plays in strategic decision making so that sustainable competitive advantage can be obtained in order to achieve superior performance. Key resources are categorised as tangible assets, intangible assets and capabilities that all have the characteristics of adding value, containing barriers to duplication and their appropriability. According to Fahy ' these characteristics explain the persistence of resource heterogeneity central to the attainment of sustained superior returns' (Fahy 2000:101). Tangible assets refer to those assets that are owned by the organisation and whose value can easily be measured. Intangible assets include intellectual property such as trademarks, brand and company reputation, networks and databases. Capabilities/competencies are, according to Fahy, the 'invisible assets' comprising skills, teamwork, organisational culture and relationships between leaders and employees.

According to Kaplan and Norton all organisations need to leverage their intangible assets in order to create sustainable value within the organisation. Intangible assets are classified into three

categories: human capital (representing competencies such as skills, talent, and knowledge); information capital (representing information systems, knowledge applications and supporting infrastructure) and organisation capital (representing company culture, leadership, alignment of goals and incentives of strategy at all organisational levels and teamwork where knowledge and staff assets are shared). They contend that due to the fact that intangible assets represent more than 75% of an organisation's value, these assets need to be mobilised and aligned in terms of the strategy formulation and execution thereof. They state that intangible assets are 'the ultimate source of sustainable value creation' and 'improvements in learning and growth measures are lead indicators for internal process, customer, and financial performance' (Kaplan & Norton, 2004:10).

A resource-based view that emphasises the dynamic nature of sustainable competitive advantage is also taken by Chaharbaghi and Lynch (1999). The concept of strategic advantage and why and how it is distinguished from competitive advantage is introduced. They point out that sustainable competitive advantage is the product of both competitive and strategic advantage. Competitive advantage is obtained by means of competitive resources, i.e. idiosyncratic technologies; knowledge resources; patents; location advantage; reputation and brands. Strategic advantage consists of 'dynamic and unique resources' that are utilised in the competitive renewal of the organisation. Resources therefore not only need to be managed, but also constantly renewed to ensure sustainability. They believe that 'sustainability' within the context of competitive advantage presupposes change and constant adaptation by means of introducing new resource configurations while simultaneously 'preserving the best of the past' (Chaharbaghi & Lynch, 1999:46).

Research on the resources that underpin a firm's competencies has received increasing attention in recent times as reported by Mills, Platts and Bourne (2003). In their quest to find a research method – that is grounded in published literature – to identify and assess service competence, they record that the importance of tangible and intangible resources as a basis for sustainable competitive advantage is well documented but that 'empirical research on resources remains rare' (Mills, Platts & Bourne, 2003:148). They review such research undertaken by themselves to identify and assess resources, in accordance with current theory, that play a role in a

manufacturing company's service competence. An historical representation of the company's activities is undertaken in order to identify its resources and then assess the value and sustainability of these.

2.4 THE CORPORATE SERVICE ENVIRONMENT

A service organisation operates within a service environment and is one where the focus is on providing a service for gain as opposed to manufacturing or producing products and selling them at a profit. Because services are fundamentally different from products due to their intangibility and the direct interaction that takes place between the service providing organisation and its clients, these differences inevitably lead to a different culture within service organisations.

It has been acknowledged by Kasper (2002) that personal interaction, relationships and service quality are qualities that are highly valued within the service industry and therefore the service organisation is one that needs to be totally market-oriented. It is specifically noted that being market-oriented is an internal strength that cannot be imitated easily and is therefore one of the resources that would give an organisation a competitive advantage. Delivery of superior quality service and excellent customer relationships form the basis of market-orientation and the capability of market-orientation is linked to the underlying values of the company i.e. its culture. He argues that 'market orientation is so fundamental that the cultural focus should be the starting point for the managerial focus' (Kasper, 2002:1049).

2.5 LEADERSHIP IN THE CONTEXT OF A RESOURCE-BASED PERSPECTIVE

The importance of leadership in the service organisation is stressed by Robson & Prabhu (2001) in their discussion of a management model that has been designed by Voss & Johnson for service organisations. The model cites leadership and people-issues as key enablers to attaining business performance with service design and innovation, service delivery and quality as well as service value and measurement as the components of business excellence. This model associates the practice of service management with service and business performance. Leadership/management drives the service and this leads to a client-oriented and thus market-oriented culture.

Included in Fahy's (2000) integrated resource-based model of sustainable competitive advantage, is the role that the organisation's management has to play in the conversion of resources into superior performance. He also stresses that the invisible assets that make up an organisation's competencies include the relationships between management and employees. This indicates a role of transformational leadership. Transformational leaders are distinguished from transactional leaders and are described as having a capacity to '…inspire, to provide individualized consideration, intellectual stimulation and idealized influence to their followers (Gronn, 1997:276).

Organisational leaders have to be believers in the necessity to embrace change in the interest of the organisation. The attitude and mind-set of management / leadership therefore make up a valuable part of an organisation's competencies. It is imperative that management does not resist being part of an organisation that is in a continuous learning mode and is open to change and transformation. Hitt states that there are examples of resistance to change that are associated primarily with managers. He names three: 'vested interests, the "don't-rock-the-boat" syndrome, and being trained to be managers rather than to be leaders' (Hitt, 1988:22). These attitudes can present real barriers to an organisation that is attempting to effect change. He believes that these attitudes may represent severe barriers, but that they are not insurmountable and that what he terms a 'leader-manager' will be able to deal with them. 'As pivot and multiplier, the leader is especially needed in a rapid changing environment' (Hitt, 1988:3).

Leadership, as an important component of the organisation's intangible assets as organisational resource is also commented on by Kaplan and Norton (2004). They view leadership as an invaluable component of organisational capital and Knowles (2001) also points out the importance of leadership in the transformation process and stresses that it is necessary to establish what is happening in an organisation in order to 'make the changes we need to improve our effectiveness and competitive performance' (Knowles, 2001:112).

It appears that change management depends on leadership in order for change to be realised and enacted. The key role for the leader-managers of the future 'is to bring about higher levels of achievement' and leader-managers also need to be 'adept at re-orienting their own and other's

activities in untried directions' (Hitt, 1988:34). For change to take place in a meaningful way within an organisation, focused transformational leadership is therefore an absolute necessity.

After studying some transformation success stories Kotter has found that two important patterns have emerged: 'First, useful change tends to be associated with a multistep process that creates power and motivation sufficient to overwhelm all the sources of inertia. Second, this process is never employed effectively unless it is driven by high-quality leadership, not just excellent management…' (Kotter, 1996:20). He notes the irony that success in companies resulting in strong growth often emphasizes management and not leadership. Due to continued success resulting from market dominance, the problem is not identified and 'an unhealthy arrogance begins to evolve.' 'Inwardly focussed employees can have difficulty seeing the very forces that present threats and opportunities' (Kotter, 1996:27). Transformation efforts within the organisation become more difficult when a lack of leadership exists as 'the change program is likely to be overmanaged and underled' (Kotter, 1996:29). According to Kotter leadership establishes direction, aligns people to understand and accept vision and strategies and inspires them to overcome barriers in order to produce change.

Eisenbach, Watson and Pillai agree with Kotter's view in their article on transformational leadership. They underpin their own view of the importance of leadership to the change management process by Kotter's contention that change requires creating a new system and then institutionalising the new approaches. They draw parallels between change literature and successful transformational leadership literature and cite Tichy and Devanna's view that 'transformational leaders engage in a process which includes a sequence of phases: recognizing the need for change, creating a new vision, and then institutionalizing the change' (Eisenbach, Watson & Pillai, 1999:83).

Leadership is viewed as a group-related activity by Senge, Kleiner, Roberts, Ross, Roth & Smith, (1999) and Senge describes leadership as 'the capacity of a human community to shape its future, and specifically to sustain the significant processes of change required to do so.' Senge and his co-authors believe that 'leadership actually grows from the capacity to hold creative tension, the

energy generated when people articulate a vision and tell the truth about current reality' (Senge et al, 1999:16).

This viewpoint implies that an organisation would have access to many such leaders at many levels of the organisational hierarchy who can contribute to the creative tension of the leadership community. Diverse people in different positions and on varying levels can make invaluable contributions to the way that an organisation shapes its future. Senge believes passionately that company executives cannot bring meaningful change about by themselves. They need partners and if they become 'isolated heroes' they will cut themselves off 'from the support and assistance that they must have to be effective' (Senge et al, 1999:19). When discussing leadership in greater depth, he states very strongly that 'leadership activities in sustaining deep change processes' is the aspect that needs to be stressed and not only leadership characteristics, as normally is encountered in leadership literature. His perspective stresses leadership as a systematic phenomenon, which is inseparable from its context. According to this view 'leadership and sustaining change become two sides of the same coin' (Senge et al, 1999:20).

Senge places much more emphasis on bringing about and then sustaining the momentum of profound change by placing the responsibility of leadership in the hands of the members of the organisation who are committed, imaginative and have the energy and inherent desire to do so. They possess the necessary 'learning capabilities'. These capabilities are based on a lifelong study and practice for individuals and teams in organisations and encompass the five 'learning disciplines'. They are: 'personal mastery, mental models, shared visions, team learning and systems thinking' (Senge et al, 1999:32). Change becomes an on-going learning process that sustains itself. The people would by virtue of their own growth, constantly nurture change within themselves and the organisation to which they are committed by a shared vision.

2.6 LEARNING AS AN INTEGRAL PART OF SUSTAINABLE COMPETITIVE ADVANTAGE WITHIN THE ORGANISATION

2.6.1 Organisational Learning

Organisational learning is described as the process of active learning that takes place within organisations through individuals, groups and the organisation itself 'for sustaining,

supplementing and improving the knowledge and practices related to their core functions' (Gronn, 1997:275) and whereby competitive advantage is created (Smith, Vasudevan & Tanniru, 1996).

According to O'Keeffe changing demands and sharpened competition in the modern business environment presents on-going challenges. He also stresses that 'lifelong learning is now accepted as *sine qua non* for business success and thus is an obvious part of a learning organisation' (O'Keeffe, 2002:239).

It has also been acknowledged by Lindley and Wheeler (2001) that an organisation's ability to learn faster than its competitors is the organisation's only truly sustainable competitive advantage. Clearly an organisation's level of learning is indicative of the advantage that that organisation has over its competitors.

It can be concluded that organisational learning represents changes in the organisation and that these changes are brought about by means of learning that takes place when the individuals in the organisation provide new knowledge to the organisation so that the organisation can improve and maintain core competencies. This provision of knowledge takes place through interaction amongst individuals and groups within the organisation. The concept of collective competence is therefore the result of collective learning as described by Swieringa and Wierdsma (1992) who contend that '…collective competence is more than the sum of individual competencies' (1992:34).

Clearly individual learning is valuable and necessary, but unless the organisation itself utilises the collective knowledge of its individual learners, the organisation will not become a learning organisation.

The reason why any organisation needs to be aware of organisational learning and needs to drive the concept within the organisation is the basic need to succeed. To be successful, competitive advantage must be obtained in such a manner that it can be sustained in the future. This would be the outcome of the learning process. Continuous improvement of knowledge and skills and the

ability to apply these competencies in order to adapt to the changing environment in which the organisation functions is what the organisation should be striving for in order to fulfil its purpose.

The importance of organisational learning within the broader understanding of sustainable competitive advantage and the strategic resources that underpin superior performance are advocated by Smith, Vasudevan and Tanniru (1996). They are of the belief that resource-based theory should incorporate organisational learning as a component thereof, because itself is a strategic capability or resource that is important to the process of obtaining and maintaining competitive advantage. Competitive advantage is viewed as something that takes place over time, so there should be more focus on the process and not only on the outcome. Organisational learning is the process whereby competitive advantage is created and the resource-based view needs to incorporate the dynamics of organisational learning in order to also accommodate continuous adaptation of its resource base to better fit its particular competitive context. They therefore believe that an organisation should be in a constant state of learning whereby 'the firm is continuously developing its ability to better exploit its resource configuration'. This state would ensure that sustainable competitive advantage is achieved when the organisation stays ahead of its competition and organisational learning can then 'sustain competitive advantages which otherwise might easily be negated' (Smith, Vasudevan & Tanniru, 1996:48).
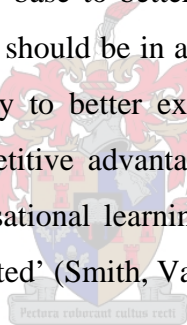
Continuous improvement is, according to Wang and Ahmed (2003), necessary for organisations to achieve incremental innovation. And incremental innovation is achieved by means of effective learning. They believe that organisations that rely solely on traditional competence, will find it increasingly difficult to sustain competitive advantage. Problem solving and information processing may lead to improvement, but they contend that to succeed in new business environments organisations need a more revolutionary viewpoint in order to make significant breakthroughs, and this needs fundamental changes in organisations. In order to achieve this they suggest that organisations adopt an additional focus on creativity and innovation, which would include features like unlearning, knowledge creation, creative thinking, competence orientation and sustainability.

2.6.2. The Learning Organisation

The learning organisation is therefore an ideal form of organisation where continual learning (change) takes place in order to gain sustainable excellence. According to Senge learning organisations can be described as'…where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspirations are set free, and where people are continually learning how to learn together (Senge, 1990: 3) and as an organisation 'continually expanding its capacity to create its future' (Senge, 1994:14). This would thus be the type of organisation where continuous and active learning takes place to ensure sustainable superior performance.

A learning organisation essentially is an organisation that changes and transforms itself continuously due to learning that takes place by all the individuals in the organisation. Learning therefore transforms the organisation (Pedler, Burgoyne & Boydell, 1991).

The purpose of organisational transformation or renewal is to meet the demands of an ever-increasingly competitive and changing environment. Continuous improvement is therefore imperative for an organisation to achieve and sustain competitive advantage in the marketplace. This perspective is as relevant to organisations of higher education and service organisations as it is to the corporate environment. It is the organisation that consciously, through its leadership, focuses on organisational learning that will succeed in creating a climate in the organisation that is conducive to on-going learning.

The dynamic dimension of the learning organisation as strategic resource within an organisation is also expounded on by Nyhan et al, in their view of a learning organisation as both process (organisational learning) and goal (a learning organisation). An adequate description of a learning organisation needs to include both of these dimensions and according to them the key to organisational learning lies 'in the capacity to understand how the different and often seen as opposing dimensions of organisational life can be reconciled' (Nyhan et al, 2004:75). These opposing dimensions refer to their contention that a learning organisation is required to create coherence between tangible (structured) and intangible (shared values and meanings) dimensions.

Contained within a study to determine the degree of organisational learning that takes place in two large engineering companies, Gardiner attributes the following characteristics to a learning organisation: 'vision, empowerment, appropriate awards, effective communication and trust' (Gardiner, 1999:264). She contends that the theory of the learning organisation is founded on shared vision and learning and states that: 'A clear, shared organisational vision should be the cornerstone of the learning orientated company…' (Gardiner, 1999:260). The importance of a shared organisational vision cannot be ignored when the concept of a learning organisation is explored.

The role of core values as a fundamental component of an organisation's vision becomes apparent in a discussion of a model of Collins and Porras (1994, 1996) that describes vision as consisting of two main components: 'a core ideology and an envisioned future' (Thornbury, 2003:69).

A core ideology is described as being 'the enduring character' of the organisation – in other words – it remains constant over time. This ideology, in turn, has two main elements, i.e. the core purpose and its core values. The core purpose is the main reason for the existence of the organisation and the core values represent the fundamental, shared beliefs that form the organisation's guiding principles for the behaviour of its members, as well as decisions taken by and the interaction amongst the members.

An envisioned future consists of the medium to long-term goals of the company and describes the organisation's ambitions i.e. where it wants to be in the future. These goals must include the manner in which the envisioned future is to be attained and therefore need to be based on the principles of a learning organisation to enable change-ability. The envisioned future therefore incorporates an element of change over time. 'Vision' in this context can thus be represented schematically as follows:
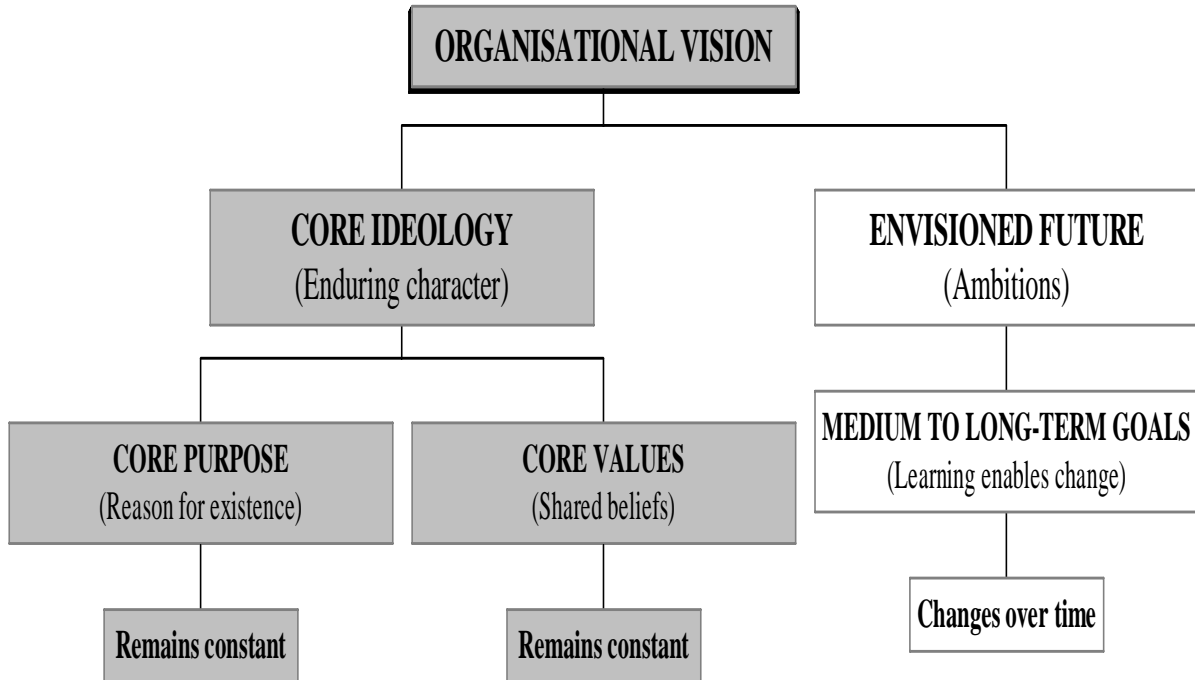
Figure 2.3: A schematic representation of organisational vision

An organisation's vision is embedded in its reason for existence and the shared beliefs within the organisation that make up its core values. These are constants. The envisioned future is also an integral part of the organisation's vision and it is here where vision needs to make provision for change through on-going learning in a learning organisation. The necessity for change is fundamental and is inevitable to enable adaptation to and remaining at the forefront of competitiveness by achieving competitive advantage that is sustainable. In order for change to contribute to sustainable superior performance of an organisation, it must therefore be embodied in and embraced by the envisioned future vision of the organisation in its commitment to being a learning organisation.

2.7 SUMMARY AND CONCLUSION

Actual competencies or resources, that have been sourced from the literature and condensed, that need to be researched in a corporate service environment by means of a case study can be summarised as:

- quality service levels;
- superior corporate culture inclusive of vision, values and learning;
- teamwork, goals and alignment of these to company strategy;
- knowledge, skills and talent of individuals;
- intellectual property;
- brand and company reputation; and
- networks and databases, idiosyncratic technologies, information systems, knowledge applications and supporting infrastructure.

It is acknowledged that other significant resources with particular reference to the service company utilised in the case study, may be forthcoming from the research to follow.

With particular reference to the research problem as discussed and illustrated graphically in Figure 1.1 on page 3, organisation resources are viewed separately from leadership and organisational learning. Whilst leadership and learning are recognised as major resources within an organisation, they need to be focussed on individually, due to their level of importance in a service-oriented organisation. Quality service levels are equated to superior performance and not viewed as a resource.

Using Kaplan and Norton's (2004) categorisation of intangible assets, i.e human capital, organisational capital and information capital, the remaining resources as sourced from the literature can be synthesised and categorised as follows:

- Human capital: knowledge, skills, talent and individual learning;
- Organisation capital: corporate culture, vision, values, intellectual property, reputation, brands, leadership, alignment of goals, teamwork and superior operational processes and organisational learning; and
- Information capital: information systems, networks and databases, idiosyncratic technologies, knowledge applications and supporting infrastructure.

The total concept of resources and competences that generate sustainable competitive advantage in order to enable superior performance in a service environment underpinned by leadership and organisational learning, is summarised in Figure 2.4 as follows:
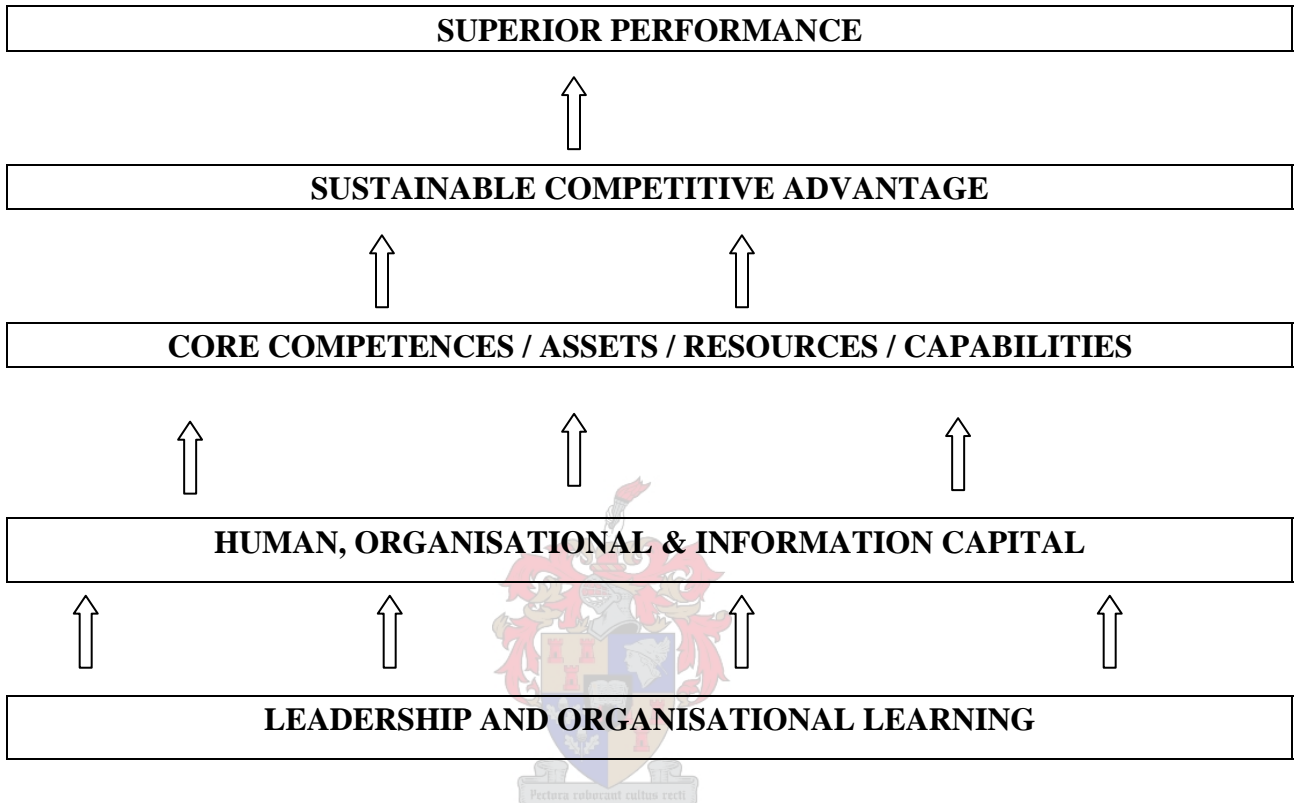
Figure 2.4: The total concept: sustainable competitive advantage for superior performance as generated by organisation resources and underpinned by leadership and learning.

The significance of the resource-based view becomes apparent when the interdependence of competencies/assets/capabilities that stem from human, organisational and information capital are viewed in the context of sustainable competitive advantage along with the importance of leadership and learning that underpin these resources. Fahy's model provides the necessary outline by which these resources can be established and categorised.

CHAPTER 3

RESEARCH MODEL FOR A SERVICE ENVIRONMENT

3.1 INTRODUCTION

The resource-based view underlies the essential elements of sustainable competitive advantage and superior advantage as well as the characteristics and types of resources that generate advantage and strategic management choices related to these. This premise underpins the model designed by Fahy (2000) by which the factors contributing to sustainable competitive advantage can be sourced within an organisation. Superior performance is reliant on sustainable competitive advantage, and an organisation can, by taking a resource-based view, identify the key resources in order to deploy them in its product-market. As organisational resources are internal the key resources of an organisation are explored from within the organisation.

Mills, Platts and Bourne (2003) have taken a resource-based perspective and applied the theory to a manufacturing organisation in order to assess the methodology, the outcomes and the utility thereof for managers in the organisation. The unit of research that they selected in their research relates to service competence and even though it is not a service environment per se, the fact that service was the unit being researched added to its appropriateness for utilisation in this study.

Aspects of the above-mentioned model and application method have now been selected and adapted to be utilised in an absolute service environment.

3.2 A RESOURCE-BASED MODEL OF SUSTAINABLE COMPETITIVE ADVANTAGE

3.2.1 Fahy's model

Figure 2.2 on page 18 illustrates the integrated resource-based model of sustainable competitive advantage as designed by Fahy (2000), which demonstrates the relationship between the organisation's key resources and management's task in converting these key resources into a sustainable competitive advantage, which in turn leads to superior performance in the marketplace.

It is recognised that all resources are not equally capable of providing sustainable competitive advantage and it is therefore imperative that advantage-creating resources are identified. For this identification to take place the types and characteristics of advantage- generating resources need to be formulated.

The types have been categorised as:

- tangible assets;
- intangible assets; and
- capabilities.

Characteristics of these assets and capabilities have been reduced to

- value;
- barriers to duplication; and
- appropriability.

Value refers to 'value to customers' (Fahy 2000:97) and is an essential component of competitive advantage in general and in particular with reference to a service environment. Resources that are advantage-creating need to create value to the client.

Barriers to duplication refer to the inability of competitors to duplicate resources and as such a particular resource, which is seen to be generating advantage, would be one that is not capable of easily being imitated or substituted and is largely immobile. This is particularly true for service industries where individuals or small groups of individuals are in themselves key resources and can be 'head-hunted' and hired by competitors.

According to Fahy the value that can be derived from the resource needs to be appropriated. He points out that value appropriation can be problematic where property rights are not clearly defined.   While the appropriation of value may be effective concerning the organisation's physical and financial assets, it may not be the case concerning intangible assets such as brands and copyrights.

Tangible assets refer to fixed and current assets owned by the organisation and include immovable property, equipment and capital goods such as stocks, debtors and bank deposits and

are relatively easy to measure by means of conventional accounting methods and are reflected in the balance sheet of the company and as such are transparent and easily duplicated according to Fahy (2000).

Intangible assets include intellectual property such as brand and company reputation as well as networks and databases within the company. They have relatively unlimited capacity and their value can be exploited by 'using them in-house, renting them (e.g. a licence) or selling them (e.g. selling a brand) (Fahy 2000:98).' They are resistant to duplication and networks and databases are complex and specific according to their accumulation and are therefore difficult to imitate and substitute in the short term.

Capabilities are described as 'invisible assets' and represent the skills of individuals or groups of individuals as well as routines within the organisation and the interactions that co-ordinate the particular company's resources. Fahy relates these actions to teamwork, organisational culture and trust between management and workers. Capabilities do not have clearly defined property rights and are thus more difficult to evaluate and individual skills are normally tacit which makes them virtually impossible to imitate and non-substitutable, but due to the fact that they are also difficult to duplicate, especially those that are based on interaction, they are the most likely source of sustainable competitive advantage.

Strategic choices taken by the management of an organisation are of key importance when a resource-based perspective is taken of sustainable competitive advantage, because a resource only becomes a competitive advantage through its application. Resources need to be converted into value for the client. The resources that create advantage need to be identified, developed, protected and deployed by management. Fahy states in summary that '… the essential elements of the resource-based view of the firm are the firm's key resources and the role of management in converting these resources into positions of sustainable competitive advantage, leading to superior performance in the market place' (Fahy 2000:99).

After defining the organisation's key resources and acknowledging management's role in the form of strategic decision making, Fahy links these findings to sustainable competitive advantage

and superior performance, where the advantage indicates value to customers and perfomance is linked to the market, sales and finance.

3.2.2 A resource-based application by Mills, Platts and Bourne

Research has been undertaken by Mills, Platts and Bourne (2003) where a resource-based view has been applied in defining and assessing resources that underlie a manufacturing company's service competence in a specific product group. They identify resources that are then assessed according to their value, sustainability and transportability and they also assess the methods that were used according to their appropriateness, the resource data they generated and their utility for managers.

They define resources as assets (tangible and intangible) belonging to the organisation and where Fahy's model refers to 'capabilities' they refer to 'competences'. Competences at the business level are seen as belonging to an individual or groups in the 'co-ordination of resources…' (Mills et al 2003:150). Competences are therefore viewed as the co-ordinated utilisation of resources by individuals or groups within the organisation.

After extensive research into published methods for identifying and assessing resources and competences, Mills, Platts and Bourne found that many levels of analysis exist, being the corporate level, business unit level and group and individual competence levels.

Mills, Platts and Bourne also found that resource identification could either take place from the top-down or bottom-up perspective. Each perspective has advantages and disadvantages. In the top-down approach where information is gleaned mainly from senior management the advantages are that competences across a wide spectrum can be addressed, new corporate directions and opportunities can be identified and that consensus may be achieved more easily. Disadvantages could include that the perceptions of senior management would feed and influence the information, weaknesses may be ignored and the status quo would not easily be questioned. In the bottom-up approach information is gleaned from a wide basis of individuals acting within the organisation. Advantages of this approach would include more reliable data with a firmer basis for exploitation and the capability of identifying unsuspected and potentially valuable resources,

while disadvantages could include that the research would be very time consuming and needs to be placed in overall strategic context.

Participants also need to be informed and educated regarding resource and competence theory so that they understand the purpose of the research and thereafter the resources that have been elicited, have to be ordered with reference to the unit of analysis.

The authors identified three commonalities in the methodology to resource identification that had been used:

- the unit of analysis and direction of analysis is to be decided on;
- informing and educating participants on resource and competence theory; and
- elicitation of resources related to the unit of analysis.

A categorisation of resources is to be provided in order to improve 'the comprehensiveness of the outcome' (2003:151). This elicitation can take place within a facilitated group via brainstorming or individual, structured interviews can be used to identify intangible resources.

They add their own observation to these commonalities, by suggesting that an important facet of resource-based theory had been omitted. In their view those resources that are often the most valuable and difficult to imitate, are developed over time, and therefore research into an organisation's history can also provide insight into its unique resources.

They suggest three metrics for identifying strategic resources and competences as opposed to resources and competencies that are not strategic and therefore do not enhance competitive advantage. These metrics are namely value, sustainability and versatility/mobility. Valuable resources are seen to be those that are scarce or rare and add to the customer's perceived value. Sustainability refers to sustainability of those values, i.e. continuance of support to superior performance. The ability of a resource to maintain value is linked to it being difficult to copy and difficult to substitute the advantages it provides and its durability, where it does not require high maintenance to retain its value. Versatility or mobility refers to the ability of the resource to break into new markets.

The following five steps have been compiled by Mills et al as the generally accepted method by which resources can be identified, taking the historical aspect into account along with the commonalities found in the literature (2003:153):

- the choice of a strategically important unit of analysis;
- educating participants;
- creation of an historical run-up relevant to the unit of analysis;
- utilisation of the history and categories gleaned from literature (see categorisation below) to assist in identification of resources; and
- evaluation of resources according to value and sustainability.

Resource categories have been compiled (2003:155) to assist in resource identification as:

- tangible resources – anything with a physical form;
- knowledge resources, skills and experience – tacit resources;
- system and procedural resources – tangible documented resources i.e. recruitment systems and performance measurement and reward systems and the efficient running of these;
- cultural resources and values – values, beliefs and preferred behaviours; and
- network resources – personnel and clients' networks including reputation and branding.

In their application of resource-based theory, Mills et al have elected service provision within a manufacturing company as their unit of analysis and therefore it has proven valuable in ascertaining how to go about defining strategic resources within the corporate service environment.

In order to create a suitable model to utilise in establishing competitive advantage in a corporate service environment, Fahy's model and the research undertaken by Mills et al needs to be refined and merged.

3.2.3 Adapting Fahy's model and Mills, Platts & Bourne's application to suit the needs of a service environment.

Tangible assets are tied to an organisation by means of ownership and are measured annually within a company's balance sheet and will not form part of this model and intangible assets include tacit resources like knowledge, skills and experience as well as organisational culture and values, systems and procedures and network resources including reputation and branding. Competences or capabilities are 'invisible assets' within the organisation that relate to relationships between leaders and employees, teamwork and the efficient running of systems and procedures.

Key resources in the service environment that are to be utilised in this model are therefore intangible assets and core competences.

According to Fahy's model (see figure 2.2 on page 18) key resources are characterised by their ability to generate advantage to an organisation by means of:

- the value they contribute;
- the barriers that they possess to duplication; and
- their appropriability,

The characteristics of key resources, taking Mills et al's research into account, in order to be meaningful in a service environment are:

- the value they contribute;
- sustainability, including barriers to duplication, advantages not being easily substituted and durability; and
- transferability, referred to by the authors as 'mobility and versatility' (2003:152).

The characteristic of transferability is particularly meaningful in the context of future expansion into new markets where organisational transformation or change is required.

Fahy's resource-based model of sustainable competitive advantage as discussed on page 22 supra contains a portion relating to the elements that make up key resources and their characteristics. This portion of the model has now been adapted and extended as:

KEY RESOURCES		
CHARACTERISTICS procedures	**INTANGIBLE ASSETS** Tacit resources Cultural resources Network resources	**COMPETENCES** Relationships Teamwork Systems &

• Value
• Sustainability
   - Barriers to duplication
   - Advantages cannot be substituted
   - Durability		

Figure 3.1: An adaptation of the 'key resources' portion of Fahy's model (Fahy 2000:100)

According to Fahy (2000:102), key resources in themselves cannot add to an organisation's performance levels, and it is the role that company leaders play in the process converting resources into value for the client dealing with the organisation that brings about competitive advantage. This process involves the identification, development and protection and subsequent deployment of resources and it is this type of focussed and committed leadership that makes strategic choices and implements them, that in itself is a source of competitive advantage. Organisational leaders therefore need to be transformational leaders who embrace change and learning within the organisation. Employees have to be inspired to bring change about when leadership has identified resources to be developed and deployed. The relationship between employees and leadership also contribute as an 'invisible asset' towards the core competencies of the organisation and for competitive advantage to be sustainable, continuous improvement of knowledge and skills and the application of these assets in a changing environment are what constitute organisational learning.

Leadership's strategic choices that underpin change require not only transformational leadership within the organisation, but also commitment to and belief in organisational learning as shared

vision within the organisation. As such, both leadership and organisational learning together form the platform on which key resources and a sustainable strategy for future excellence exist. Key resources are therefore grounded in leadership and organisational learning, which once the key resources and competences have been identified and assessed, can become part of leadership's strategic choices to ensure sustainable competitive advantage for superior performance.

SUPERIOR PERFORMANCE
- Market Performance
- Sales Performance
- Financial Performance

SUSTAINABLE COMPETITIVE ADVANTAGE

Value to clients

LEADERSHIP'S STRATEGIC CHOICES

- Resource identification
- Resource development & protection
- Resource deployment

KEY RESOURCES

CHARACTERISTICS	INTANGIBLE ASSETS	COMPETENCES
	Tacit resources	Relationships
	Cultural resources	Teamwork
	Network resources	Systems & procedures

- Value
- Sustainability
  - Barriers to duplication
  - Advantages cannot be substituted
  - Durability
- Transferability

LEADERSHIP

ORGANISATIONAL LEARNING

Figure 3.2: An adapted model of sustainable competitive advantage

3.3 SUMMARY AND CONCLUSION

Figure 3.2 illustrates an interdependency between leadership and organisational learning with respect to the organisation's key resources that need to be recognised by organisational leadership and utilised in such a manner that they contribute to the organisation's sustainable advantage by adding value for the client. These capabilities or competences are expressed in the organisation's overall performance in the market place and determine the degree of superiority of performance by the organisation.

This model is used as a guideline for the design of appropriate tools by which historical and existing resources within Pam Golding Properties can be identified, categorised and assessed as strategic assets. The underlying role of transformational leadership and organisational learning is assessed simultaneously.
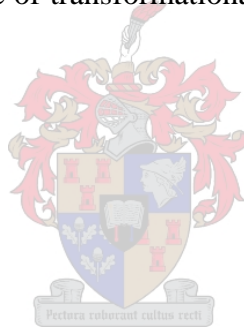
CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

There are two main approaches to theory development, namely deductive theory testing and inductive theory building. According to Perry (1998) the difference between the two is founded in the deductive approach representing the positivist paradigm and the inductive approach representing the phenomenological paradigm. The latter is characterised by three types of theory, namely critical theory, constructivism and realism.

Perry states that 'realism is the preferred paradigm for case study research' (1998:787) and then goes on to motivate this choice by commenting that case study research areas are mostly contemporary and require inductive theory building and that case study research is characterised by 'some researcher objectivity' (Perry, 1998:787). This takes into account that an external reality exists and the data that is collected involves perceptions of external phenomena that cannot be observed and needs to be refined by means of triangulation. Realism also conforms to the evaluation of validity and reliability of data as well as the research topic and methodology.

The building of theory is the main purpose of this case study that is based within the paradigm of realism and incorporates prior knowledge. In order to build theory, in-depth insight is required into a certain defined area. This insight is obtained through a process of qualitative research.

The following concepts and terminology that relate to the research design and methodology in this case study are expressed in this study as follows:

- Phenomenological paradigm – an outlook that is characterised by critical theory, constructivism and realism.
- Realist approach – an approach grounded in realism that aims to construct various views of reality and to comprehend phenomena in terms of place and time.
- Interpretative understanding – the researcher's understanding of participants' subjective understanding
- Inductive methods – methods that are followed in order to discover and build theory.

4.2 RESEARCH APPROACH: A QUALITATIVE PARADIGM

After undertaking a comprehensive review of 'small firm literature' Shaw has found an emerging preference by researchers for phenomenological approaches that utilise qualitative methods of collecting and analysing empirical information. She specifically recommends that if 'an understanding of the processes and dynamics involved in small firm networks is to be generated, a research approach which guides the use of qualitative methods of data collection and analysis must be adopted' (Shaw, 1999:61).

Qualitative research has at its core the purpose of providing in-depth insight into a certain defined area. This insight is obtained through a process that consists of analysis and meaningful integration of views expressed by respondents and the researcher's interpretation of these. According to De Ruyter and Scholl (1998), qualitative research does not determine how many people say something - as is the case with quantitative research - but is a systematic search for opinions and how they are expressed. Hence the in-depth insight that is obtained comes from concrete, real-life information that is gleaned and learned by means of the integration of impressions. They hold the view that 'qualitative research is a questioning search and a search for questions at the same time' (De Ruyter & Scholl,1998:8).

Gaining an 'interpretative understanding' is defined as 'the researcher's understanding of the participants' subjective understanding' by Cepeda and Martin (2005:853). Their particular interest lies in building theory from fieldwork and they contend that field research enables 'the development of a deep understanding of the complex interaction of people, processes and technology within organizations' (Cepeda & Martin, 2005:853).

As research in organisations entails the study of human action and behaviour it is essentially concerned with the nature of reality in the social world, in contrast to the natural world, an appropriate research paradigm needs to be selected for researching people who 'think for themselves, comprehend their own behaviour and have an opinion about the social world of which they are part' (Shaw, 1999:60). Shaw also finds that the social world needs to be observed as a whole as it cannot be reduced to isolated variables, such as mass and space in the natural world.

A qualitative approach that allows the organisation to be viewed in its entirety and allows the researcher to get close to the participants, to penetrate their realities and interpret their perceptions is necessary. As the researcher needed to develop an understanding of historical and existing resources within the environment (Pam Golding Properties) and analyse and interpret these according to a cross section of relevant stakeholders, the qualitative paradigm was deemed to be appropriate as well as the case study methodology.

The selection of case study research is particularly appropriate as a management research strategy according to Cepeda and Martin (2005), who contend that in this way management can be studied in a natural setting so that theories can be generated from practice. They agree with Yin (1994) that the researcher can answer "how" and "why" issues to gain an understanding of the processes taking place and it is also an appropriate way to explore unresearched areas. They suggest that by following the interpretivist paradigm, researchers can induce theory from qualitative data by articulating a preliminary conceptual structure, collecting and analysing data and reflecting on the outcomes in order to build knowledge and develop theory.

Riege (2003) contends that managing and marketing research is currently assuming a realist perspective, which includes a qualitative approach to research as well as utilisation of the case study. He contends that realist investigation is appropriate to identify phenomena and 'transform people's experiences into verbal experiences of the researcher' (Riege, 2003:75). He contends that the realist approach aims to construct various views of reality and to comprehend phenomena in terms of place and time. Inductive methods are followed in order to discover and build theory. The case study in the realm of a realism paradigm provides an opportunity to analyse rather than merely describe and explain.

A case study is an empirical enquiry, that according to Yin (1994) is utilised to investigate 'a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Yin 1994:3). Riege (2003) endorses this assertion and builds on it by stating that a case study develops and constructs theory, requires a high level of prior theory and follows a semi-structured process and standard procedures.

The researcher hereby concludes that research grounded in a qualitative, interpretive paradigm and underpinned by an approach based in realism forms the basis of this research undertaking.

4.3 RESEARCH DESIGN

Having selected a qualitative research paradigm to guide the research process of defining, identifying, interpreting and assessing, an appropriate research design was developed that is based on non-empirical as well as empirical research methodology. A resource-based view was taken and the research was thus designed to formulate an internal perspective from within the organisation.

4.3.1 Non-empirical studies

A model of sustainable competitive advantage for superior performance within a service organisation was developed from the preliminary conceptual structure (see Figure 1, page 5) that preceded the literature reviewed and covered aspects of organisation resources, leadership, organisational learning and sustainable competitive advantage. The model (see Figure 7, page 46) illustrates the interdependency that exists between the different levels that interact to reach the goal of superior performance. This model articulates the basis of the structure of the qualitative research undertaken.

As a result of the relative freedom and lack of formal structure in qualitative research, this type of research is often questioned. The importance of structure when conducting qualitative research is emphasised by De Ruyter and Scholl (1998) who argue that research into qualitative research should focus on the development of criteria. The quality of qualitative research is dependent on the underlying design and therefore the sustainable competitive model has been developed in order to provide this case study with a solid structure i.e. a theoretical framework that is backed by relevant literature. Criteria have been selected that form the basic structure of the design. This model can therefore be utilised by other service industries to supply them with the information regarding sustainable competitive advantage in their field of service provision.

4.3.2 Empirical studies

A sustainable research design needed to be followed in the event that this qualitative research project is to contribute towards future research.

Methods that test existing theories are used predominantly in marketing methodologies, but methodologies 'such as field interviews and in-depth case studies are essential to developing theory in marketing' (Alam, 2005:97). Alam explores the process of fieldwork and proposes a systematic process of data collection and fieldwork in qualitative research using empirical studies of customer and supplier interactions in new product development.

This approach to empirical research is essential to ensure a structured and systematic design and has been adopted in this research design but the process has been adapted to suit the particular needs of the case study in a service environment.

Qualitative research also plays an important role in 'accessing and generating discussions with key decision makers in organizations…'(Wright, 1996:59) and to this end it was found that semi-structured in-depth interviews yielded the best results where experiences were expressed and attitudes, needs and ideas were gleaned from participants within a case study format. Riege is in agreement with this perspective and states that qualitative methods such as case studies… 'commonly follow realistic modes of inquiry, for the main objectives are to discover new relationships of realities and build up an understanding of the meanings of experiences…'(Riege, 2003:77).

4.4 RESEARCH METHODOLOGY: THE CASE STUDY

The selection of the case study as research method is directly linked to a qualitative research approach and the research design that encompasses the non-empirical model that was derived from the preliminary conceptual structure and empirical studies. The methodology utilised in this research is thus firmly grounded in a qualitative, interpretive design that is underpinned by a paradigm based in realism. The following schematic presentation is a representation of the research methodology that has been utilised as well as its grounding.

```
┌─────────────────────────┐                    ┌─────────────────────────┐
│  CASE STUDY RESEARCH    │◄──────────────────►│        REALISM          │
└─────────────────────────┘                    └─────────────────────────┘

              ┌────────────────────────────────────────────┐
              │       PHENOMENOLOGICAL PARADIGM            │
              │                                            │
              │  Qualitative methods of collecting and     │
              │  analysing information in order to gain     │
              │  an interpretive understanding             │
              └────────────────────────────────────────────┘

  ┌──────────────────────┐              ┌──────────────────────┐
  │  Non-empirical and   │              │  Provides in-depth   │
  │  empirical research  │              │      insight         │
  └──────────────────────┘              └──────────────────────┘

              ┌────────────────────────────────────────────┐
              │  • Literature review                       │
              │  • Semi-structured interviews:             │
              │    (top-down approach)                     │
              │  • Questionnaires:                         │
              │    (bottom-up approach)                    │
              └────────────────────────────────────────────┘

  ┌──────────────────────┐              ┌──────────────────────┐
  │  INDUCTIVE ANALYSIS  │◄────────────►│    NEW KNOWLEDGE     │
  └──────────────────────┘              └──────────────────────┘

              ┌────────────────────────────────────────────┐
              │             THEORY BUILDING                │
              └────────────────────────────────────────────┘
```

Figure 4.1: Research methodology and grounding.

Cepeda and Martin (2005) have also specified a set of methodological stages to conduct case studies and they state that a case study should consist of three main elements: the conceptual framework, the research cycle and theory building which in turn needs to be scrutinised in terms of the literature.

4.4.1. The conceptual framework

It is contended that a formally defined conceptual structure is essential as it expresses the researcher's 'understanding of the research topic, and so clearly sets out the territory to be explored' (Miles and Huberman, 1994 cited by Cepeda and Martin, 2005:58). Perry also states that 'in a case study thesis, prior theory provides a focus to the data collection phase in

the form of research issues that always conclude the literature review' (Perry 1998: 790). The conceptual structure explains the key factors or variables to be studied as well as the presumed relationships between them.

To this end, Figure 1.1 (see page 3) represents the preliminary conceptual framework of the scope of this research and Figure 3.2 (see page 39), the total concept of sustainable competitive advantage for superior performance as generated by organisation resources in a service environment and underpinned by leadership and learning.

4.4.2 The research cycle

The cycle that makes up research methodology is described by Cepeda and Martin (2005) as consisting of the plan, data collection, analysis and reflection. These research steps precede theory building.

- **The plan,** is what has been referred to previously as the research design that is based on a qualitative, interpretive approach grounded in realism. A case study using Pam Golding Properties as subject was selected in order to ascertain from a resource-based perspective how competitive advantage could be sustained to ensure superior performance and the role that leadership and organisational learning has to play in the outcome.
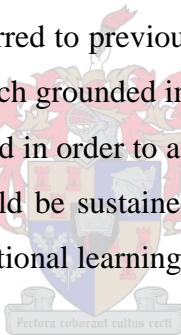
Cepeda and Martin (2005) suggest that the plan also needs to include methods for collecting, recording, processing and analysing data and the method to report the findings. These are viewed as tentative guides since qualitative research should remain flexible to what is encountered in the field.

It has been recorded that non-empirical and empirical methods were used. These are represented by the literature review that provided the background to establishing the conceptual framework structure, semi-structured interviews with a selected variety of senior executives to identify historical and existing resources within the organisation, assessment of these resources with reference to the literature and questionnaires put to a cross-section of stakeholders. Simultaneously, the role of organisational leadership and learning was established by means of the same interviews and questionnaires.

In order to collect data to identify organisational resources in a service environment, the unit of analysis as referred to on page 35 supra that was selected is the corporate level and the perspective that was taken is therefore the top-down approach for the initial data collection by means of semi-structured interviews. This approach ensures that resources and competences can be identified across the organisation and consensus can be achieved. The bottom-up approach was utilised in the assessment of resources and competences stage in order to obtain more reliable data and to negate the possibility that only top management's perceptions are assessed.

- **Data collection** is determined by the plan/design outlined in the previous stage.

The authors caution that although collecting and analysing are represented by two different stages, they may be closely interrelated in practice as new areas may be opened during the interview, due to the semi-structured nature thereof. Due to the researcher making field notes during the interview, analysis begins to take place simultaneously and the researcher also needs to be receptive to new information that may come to the fore and can be added to the interview protocol in order to incorporate emerging issues.

An example of valuable new information that was collected from the executives during semi-structured interviews, was that the data that was freely volunteered, did not only pertain to existing and historical resources that exist, but reference was also made to factors that contribute to the deterioration of resources and competences that once were evident, but currently are being eroded.

- **Analysis** continues after the collection of data has ceased. Analysis is the process

of organising and reducing the collected data and the key resources stage of the model of sustainable competitive advantage that has been developed (Figure 3.2 on page 39) has been utilised to this end. Intangible assets and competences are tested for value, sustainability and transferability and the results are expressed by means of bar charts and then assessed and discussed.

Shaw (1999) notes that the literature recommends an inductive analysis of qualitative data that involves the reading and re-reading of transcripts and field notes; the coding of raw data to give structure and meaning, comparison of codes and categories that emerge with

subsequent data collected and with concepts suggested by the literature and the search for relationships among categories of data.

Shaw explains the systematic process of inductive analysis and interpretation of data by means of the following schematic representation:

Analysis on site:
In the field when collecting data

↓

Run the data open:
Transcription and initial analysis of interviews and field notes

↓

Focus analysis:
Constant comparison of emerging themes and categorising of core codes

↓

Deepen analysis:
Compare substantive findings with established concepts in the literature

↓

Present analysis:
Do the findings present an accurate picture?

↓

Write up

Figure 4.2: The process of inductive analysis
(Source: Shaw 1999:65)

Coding was incorporated into this research project using the concepts in the framework as initial codes to guide the analysis of the data generated by the semi-structured interviews. Once this first interview-based data in terms of historical and current key resources was organised and reduced, questionnaires were put to the same senior executives and other stakeholders to determine how these key resources and organisational leadership and learning impact on sustainable competitive advantage.

The information that was collected by means of semi-structured interviews, identified which resources were regarded as key contributors towards competitive advantage by the senior company executives that were interviewed. These resources then contributed to the formation of the questionnaire, which was created with the purpose of establishing value, sustainability and transferability of resources and competences. As the questionnaire was put to a large cross-section of stake-holders within the case study environment, it could now be established to what extent, if any, these resources and competences stand up to the test of value, sustainability and transferability, i.e. the characteristics of key resources that contribute to competitive advantage.

- **Reflection** that is deliberate and critical evaluation of interpretations is essential. The research process and the outcomes are reflected on during this stage so that findings can be recorded and compared with the conceptual framework. Then the researcher needs to look beyond the data in order to build theory. Implications of the findings need to be recorded and according to the authors the reflection stage ends when 'the conceptual framework is either challenged and confirmed or revised and updated to include learning gained through this research cycle (Cepeda and Martin, 2005:860).

4.4.3 Theory building

Theory building is described as 'creative, intellectual work' by Coffey and Atkinson (1996) and cited by Cepeda and Martin (2005:860). The interplay between the conceptual framework and the research cycle enables the building of knowledge and theory where the initial conceptual framework reflects the researchers current understanding and confirms the research territory and guides the research cycle and thus new understanding is gained during the research process. This new understanding results in new knowledge that can be used to build theory that is not only relevant to the particular case study and its subject, but can also be applied to various other situations.

4.4.4 Conclusion

The above approach ties in well with the research questions pertaining to the case study:

- How can sustainable competitive advantage in a service organisation be defined?

(Method: Literature review resulting in the conceptual framework).

- Which existing resources within Pam Golding Properties can be categorised as strategic assets?

(Method: Data collection by means of semi-structured interviews to establish key resources within PGP and by means of questionnaires to assess and analyse these assets).

- What role should organisational leaders play to ensure sustainable competitive advantage from a resource point of view?

(Method: Collection of data by means of Questionnaires).

- To what extent, if at all, is organisational learning a strategic asset in a service organisation?

(Method: Collection of data by means of Questionnaires).

- Which of these resources are suitable for future utilisation?

(Method: Reflection and theory building).

4.5 INSTRUMENTATION

Data was generated by means of semi-structured interviews and questionnaires. Interviews were used primarily to identify and gain insight into historical and current key resources that consist of intangible assets and competencies within Pam Golding Properties. Questionnaires were used to assess these resources as strategic assets that contribute to sustainable competitive advantage.

4.5.1 Target groups and sampling

The unit of analysis is Pam Golding Properties, in particular the residential property company that was founded in 1976. The more recently founded commercial property company and other operating companies that form part of The Pam Golding International Property Group do not form part of the unit of analysis.

Semi-structured interviews were arranged with a broad-based complement of senior executives within PGP, as the main goal of the interview was to elicit historical and current key resources within the organisation itself. Only company executives and who have been with the organisation for at least five years were targeted due to the fact that they would have an opinion relating to change within the organisation over the past five years.

The target group to which questionnaires were put to ascertain the value, sustainability and transferability of the defined key resources consisted of a cross-section of stakeholders

including the same PGP executives, but in order to get a wider perspective, also included managers, agents and administrative employees.

Sampling for both data-collection methods was done purposively and in the case of estate agents and administrative employees, a random selection was made out of the geographical areas where PGP is represented in order to produce a cross-section and therefore the most valuable and in-depth data in the circumstances.

Shaw states that purposive sampling 'encourages the collection of data rich in detail about the substantive research problem' (Shaw 1999:63). Interviews were therefore conducted with the company's chairman, chief executive officer, chief operating director, national human resources manager, national marketing director, national business intelligence manager, national financial director and a regional managing director. In addition to this group, the rest of the executive board, in total being fifteen members, all forty managers (from all the geographical regions), and thirty randomly selected estate agents from the different geographical regions, as well as thirty other randomly selected administrative employees representing a cross section of all the administrative departments across the geographical regions were sampled as respondents to the questionnaire. This made up a cross-section of approximately 115 respondents.
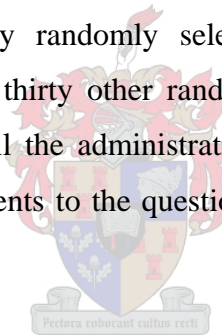
4.5.2 Semi-structured interviews

In-depth interviews are the enquiry into the social aspects of everyday life in order to understand knowledge, experience, intentions and interpretations from the interviewee's perspective (Schwandt, 2001). During an open interview, the interviewer sets the general direction for a discussion to take place regarding the research question in order to obtain the interviewee's understanding thereof. As it is the researcher's task to obtain the interviewee's own perspective and to "explore the ways in which people working together share common understandings, get insight into particular experiences, find out motives behind decisions, get a view of informal procedures, consider apparent contradictions between attitudes and behaviour, and allow respondents time to provide their answers' (Hannabuss1996:23), interviews are deemed to be the appropriate tool to elicit this data. He states further that the interview is a good way of eliciting opinions on complex and sensitive issues.

The researcher chose to make use of semi-structured interviews to obtain the required knowledge and insight, because a semi-structure can provide for open questions and need not be totally prescriptive as is the case with a formal structured interview. Due to the fact that prior knowledge and conceptions formed by the literature play a vital role in case studies, the conceptual model (Figure 3.2, page 39) was used as a guideline when creating the interview schedule to elicit information relating to tacit, cultural and network resources as well as competencies regarding relationships, teamwork, systems and procedures operating within the organisation. The interviewees' perceptions of the role of leadership and organisational learning in Pam Golding Properties were also probed and provided for in the interview schedule.

According to Yin (1994) probe questions must form the main part of the prepared interview protocol so that a reliable framework exists by which data can be triangulated and suggests that interview protocols should include Likert-scaled questions summarising the overall perceptions of the interviewee toward each issue addressed in the question and that is to be answered by the interviewer during or after the interview to assist in analysing the data.

The interview protocol (See Appendix A) consists of the interview schedule, which was particularly useful due to the heterogeneous nature of the sample group. Hannabuss (1996) suggests that the schedule can be used to bring their disparate responses together for comparison and stresses that they structure the information and provide a sound foundation for analysis. He also concludes that the research interview is 'flexible, accessible, intelligible – and at its best – highly illuminative of important and often hidden aspects of human behaviour and belief…' (Hannabuss 1996:30).

After shortly discussing preliminary issues to gain the interviewee's trust, he/she was invited by the researcher to 'tell the story of their experiences regarding competitive advantage within PGP'. This was done in order to capture the interviewee's own personal perceptions. Some probe questions about the research issues were prepared in the event that the interviewee did not raise them in the first unstructured part of the interview. Although an interview protocol was used, interviewees were encouraged to expand and illustrate their views by means of real-life examples. Questions were also not put in the sequence of the protocol, but the sequence was based, in each interview, on the responses of the interviewee.

The semi-structured probing interview provided a breadth of rich information, confirming and extending current knowledge and also assisted in the development of the questionnaire to ascertain the value of the confirmed key resources for future sustainability.

4.5.3 Questionnaires

The questionnaire is used as an instrument to collect data and was drawn up in response to the information gleaned from the literature, the conceptual framework and data that were generated by the semi-structured interviews with senior company executives (See Appendix B). In the process of answering the questionnaires to provide qualitative responses, the respondents could add extra contextual information at the end of each section, which enriched the data and understanding of the information generated about the service environment within PGP.

The questionnaire was drawn up with the following explicit goals in mind:

- To ascertain whether key resources (intangible assets and competences) as identified during interviews by long standing organisation executives, are deemed to be current key resources by the responding stakeholders and thus credible.
- To establish whether the characteristics of key resources being value, sustainability and transferability, apply to the identified intangible assets and competences.
- To find out whether leadership conforms to being key, adding value, supplying vision, communicates and is transformational and supports learning.
- To establish whether management skills are key, add value, contain technological and operational skill, are regionally focused and support learning.
- To ascertain whether organisational learning is deemed to be key, is seen to add value, and if induction learning, individual learning and leadership training is adequate as well as whether knowledge application and innovation contribute to daily organisational learning.

The results were gathered on an Excell spreadsheet tabulating key resources, leadership and management skills and organisational learning in accordance with the abovementioned goals. The data was subsequently converted to vertical bar graphs, and summaries and comparisons were made of the collective data.

The reality of intangible assets and competences in the service environment was then analysed and interpreted in terms of the responses received via the questionnaire in order to establish whether the resources being, intangible assets and competences that have been identified can be described as 'key resources' in accordance with the required characteristics of value, sustainability and transferability. Leadership and management as well as organisational learning are also depicted and analysed and interpreted according to the above goals.

4.6 QUALITY OF RESEARCH

In order to ensure that this research maintains the highest possible standard of quality, in particular pertaining to the accuracy, non-bias, validity and reliability of the research design, research methods are tested be means of triangulation of evidence and validity and reliability reviews.

4.6.1.Triangulation of data

One of the strengths of qualitative research is the fact that it 'enables the use of many different data sources through the process of triangulation of evidence' (Alam, 2005:104). He states that triangulation of evidence means collecting data from multiple sources, multiple projects, and multiple key informants or by means of multiple research methodologies. In so doing, the findings or conclusions of the research are more convincing and accurate. He also notes that the triangulation of data overcomes the problem of bias and that the use of multiple sources of evidence, assists in achieving construct validity.

In this research, multiple sources within the case study unit of analysis, the organisation, were tapped into in order to generate data and key informants using interviews and questionnaires represented each of the stakeholders. The sources that were interviewed represented the top echelon of executives who make up a cross section of the organisation. The same group, as well as other participants in the organisation on other levels of employment in the various regions where PGP operates, were accessed by means of questionnaires.

Conclusions regarding value, sustainability and transferability of key resources can therefore be examined from more that one vantage point. In this way the validity and reliability of knowledge and theory that emanates from the case study is strengthened.

4.6.2 Validity and reliability

Validity and reliability are requirements for sound research. The case study as research method for building interpretive understanding involves building theory from fieldwork. According to Cepeda and Martin (2005) few authors have suggested criteria for interpretive research and comment that field research enables 'the development of a deep undertstanding of the complex interaction of people, processes and technology within organizations' (Cepeda & Martin, 2005:853). They therefore subscribe to the case study as the manner to obtain this understanding as the phenomenon is studied in its natural environment and data is collected by means of multiple methods from gathering information from several sources within the organisation. The question that arises from this interpretivist approach is whether the requirements of validity and reliability are applicable at all times.

Construct validity, internal validity, external validity and reliability are classically the criteria by which research design is tested. Riege suggests that these tests should be applied with care to the design as they 'are not the primary drivers of rigorous case study research and could even suppress the discovery of new meaningful insights' and do therefore not necessarily ensure quality. The in-depth understanding of the real life phenomenon and 'explanations and interpretations about previously unknown practitioners' rich experiences, which may stem from creative discovery as much as research design' (Riege 2003:80) forms the basis of case study research.

As the purpose of qualitative research is to generate understanding of a social phenomenon, this means that in the event that the informant is part of the unit of analysis and is given the opportunity to speak freely according to his/her own knowledge structures, validity is achieved. Stenbacka (2001) acknowledges this view and also stresses the importance of the utilisation of interviews where informants are strategically well chosen and allowed to speak their minds to ensure validity.

The validity of qualitative research is thus in essence related to the fact that respondents are closely involved with and aligned to the real life case study situation.

According to De Ruyter and Scholl (1998), reliability refers to comparability and reproducibility. They contend that flexibility within the qualitative research approach lends itself to meaningful in-depth insight into respondents' views and is therefore regarded as a clear advantage superseding reliability in the sense of reproducibility. They do contend however, that the reliability of qualitative research can be ensured by means of following systematic procedures when responses are linked to theoretical models and concepts that are inherent to the research design. The researcher can therefore, by giving accurate descriptions of the methods followed in collecting and analysing data, also achieve reliability.

4.7 CONCLUSION

The researcher has undertaken a case study, which is grounded in a qualitative, interpretive paradigm and is underpinned by an approach based in realism.

The research design consists of non-empirical studies in order to provide the researcher with a conceptual framework that is literature-based and that places the research in the centre of the problem's reality. Empirical studies place the outcomes of the research in the centre of the organisation's reality.

The case study has been utilised as research methodology because the research questions that needed to be answered are found in the heart of the Pam Golding Properties organisation. This also validates the appropriateness of realism as the point of departure. The conceptual framework was created as a result of the research questions and are based in the existing literature so as to provide the researcher with not only a grounded basis for examining the unit of research and collecting data that is valid and reliable, but is also suited to the qualitative research approach that has been adopted.

Data relating to the historical and current key resources within the organisation, which had been selected for the case study was collected by means of semi-structured interviews. A natural extension to the collection of data was the information regarding the deterioration of some of the key resources as reported by interviewees.

A questionnaire was then created to test this data in terms of a wide range of stakeholders to determine whether these key resources are current and to what extent they add to a possible sustainable competitive advantage. The same questionnaire was also utilised to test those resources against the characteristics pertaining to key resources within a service organisation, to determine their validity.

Analysis of the data that has been collected and information that has been generated, including an explanation of the inductive reasoning skills that follow in order to document the results of the fieldwork undertaken, are fully documented in the next chapter.
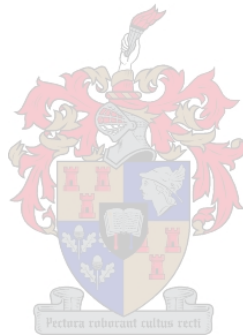
CHAPTER 5

RESEARCH RESULTS: PRESENTATIONS, ANALYSIS AND INTERPRETATION

5.1 INTRODUCTION

In order to collect the data relevant to the scope of this research project, (see figure 3.2, page 39) being sustainable competitive advantage for superior performance as generated by organisational resources within a service environment and underpinned by leadership and learning, semi-structured interviews were conducted with long-standing members of the executive council of Pam Golding Properties and its chairman and founder, Mrs Pam Golding. Thereafter the key resources that were identified by means of the interviews were assessed for credibility as well as value, sustainability and transferability by means of questionnaires that were conducted electronically and put to stakeholders within the particular service environment. The assessment and analysis of resources are of particular importance in ascertaining which resources need to be developed, protected and deployed in future by guiding leadership's strategic choices, to ensure sustainability of any current competitive advantage.

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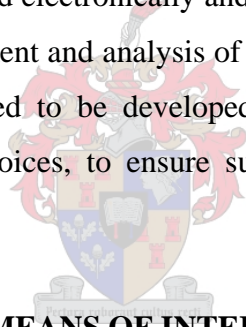
5.2 DATA COLLECTION BY MEANS OF INTERVIEWS

5.2.1 Report on semi-structured interviews

Semi-structured interviews were conducted mainly to identify key resources as described by members of the current executive council of the case-study company as well as the founder and chairman of the group. The feed-back that was derived from these executives was widely varied and representative of the company as a whole, as it represented all the different service departments that are currently operational: human resources, finance, market intelligence, information technology and marketing and advertising as well as the views held by the chief executive and operational officers and regional managing sales directors.

During the interviews it became apparent that it is necessary to separate past and current issues pertaining to superior performance, due to growth and changes that have taken place within the company's structure over a period of time. This information then provided the researcher with insight into what a respondent referred to as 'what had worked before, and was lacking now'.

In order to ascertain which key resources contribute to competitive advantage, it is also imperative that factors undermining these assets have to be established and accounted for. In this way it is possible to determine which issues impact negatively on the sustainability of competitive advantage. Therefore, it is not only what is prevalent and positive that matters, but also what needs to be avoided as well as changes that need to be focussed on in a changing corporate environment. All but two out of the eight interviewees were of the opinion that service levels had deteriorated over the past ten years due to a number of factors that are formulated and tabled in table 5.5.

In summary, tables 5.1 – 5.4 depict historic key resources as identified by company executives that were interviewed. This identification has taken place in accordance with the outline as defined in the conceptual model, figure 3.2 on page 39 pertaining to sustainable competitive advantage. Table 5.5 illustrates the factors that contribute to the lowering of service levels within the organisation. The same conceptual model as for sustainable competitive advantage is utilised in order to maintain a high level of reason within the reality of the organisation.
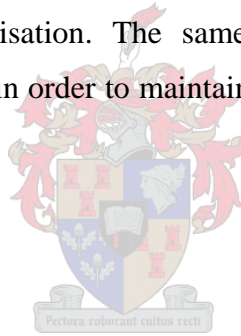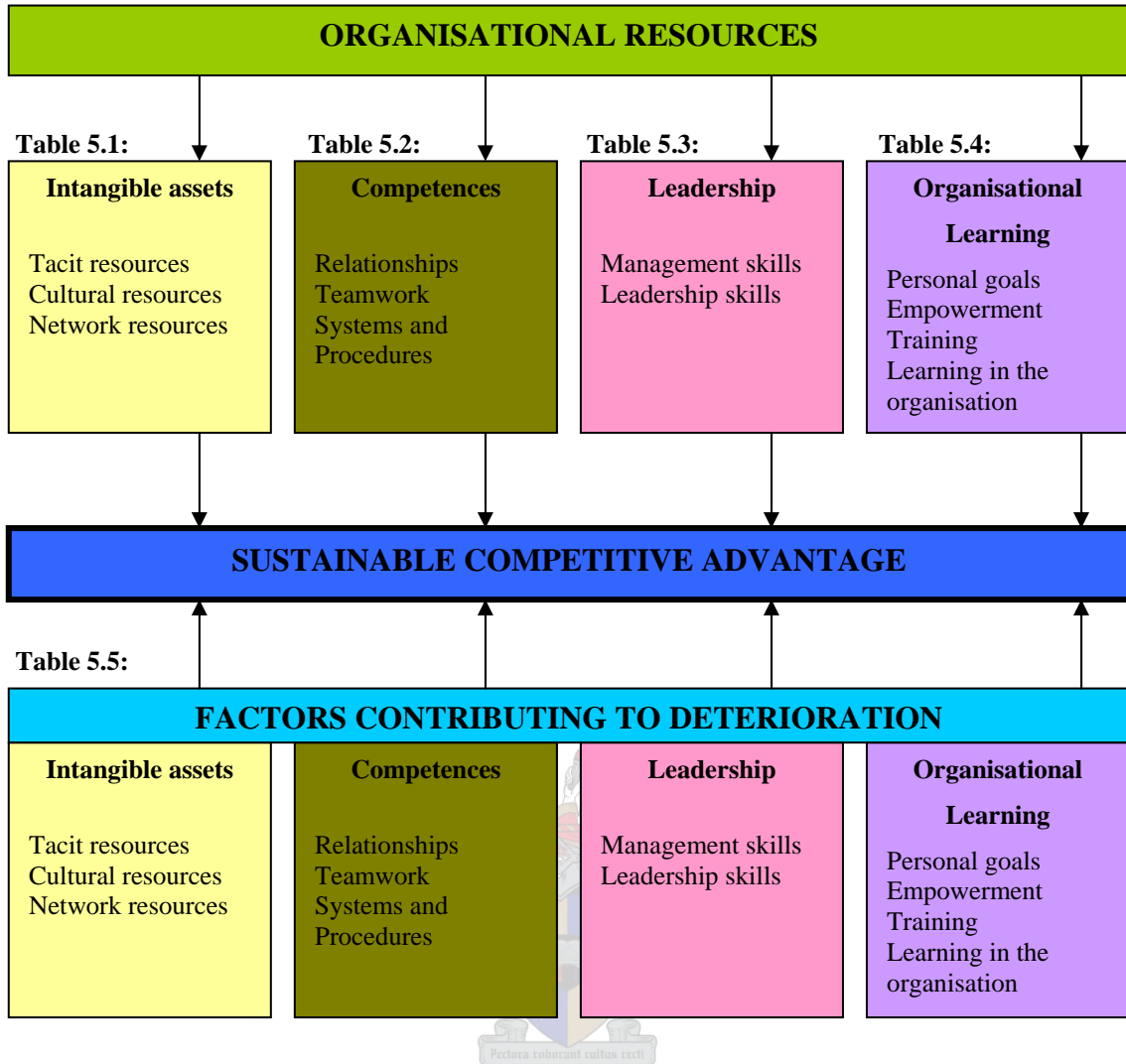
Figure 5.1: An illustrative model depicting the presentation of interview data analysis

Tables 5.1 – 5.4 represent the key elements that have been identified as those that have played a leading role in PGP's past superior performance and table 5.5 represents the factors that have contributed to deteriorating service levels according to the bulk of the executives that were interviewed. This in turn, results in the erosion of the existing key resources and this new knowledge can contribute to leadership's strategic choices in order to sustain competitive advantage.

Tables 5.1 – 5.4 therefore provide the information that is required to create the questionnaire and conclusions regarding value, sustainability and transferability of key resources can therefore be gleaned from more that one vantage point.

Table 5.1: Intangible assets, being those having no physical form

INTANGIBLE ASSETS
Tacit resources: • Appointment of competent people   • For agents, skill was ranked as the most valuable asset, with talent, experience and knowledge following in that order   • For managers, experience was ranked as the most valuable asset, with talent, skill and knowledge following in that order   • Determination and a confident attitude are also essential attributes   • Passion and integrity are valued characteristics   • Retention of staff/agents   • Low turnover of management   • Tacit knowledge exists in abundance
Cultural resources: • Quality of service inculcated in the daily culture   • 'Pam's way', being values entrenched by Pam such as sincerity, integrity and professionalism   • Family values are uniquely aligned to the company's values   • The core values of the company are the guiding principles for behaviour   • Corporate culture is characterised by the family's vision   • Our culture is 'the unique spirit of Pam Golding'   • Ethics and honesty characterise our company culture   • 'Our values are paramount to our success'
Network resources: • As a small company personnel communicated and networked   • Partnerships are strong at ground level   • Regions network well internally   • Leadership encourages networking   • Referrals amongst agents work well   • Marketing of the brand as number one is paramount in a competitive environment   • Brand contributes massively by opening the door   • The brand supports our reputation and our reputation supports the brand   • Our brand expresses our reputation   • Marketing has resulted in clients knowing about us   • Our brand causes an expectation of superior service in the marketplace   • The PGP brand is described as: trustworthy, prestigious, quality, inspirational, traditional, established, elevated   • PGP's reputation is seen as: positive, excellent, impeccable, respected, reputable, trustworthy, the best and as representative of family values

Table 5.2: Company competencies, being invisible assets

COMPETENCES
Relationships: • People are the differentiating factor in a service organisation • Leaders make an effort to build relationships with employees • The company provides loyalty, status, security to our staff
Teamwork: • We celebrate our successes • Small teams work well together in certain areas and divisions • Teamwork is necessary for the referral system to work in everyone's interest
Systems and procedures: • Focussed on establishing own tried and tested methods to collect data • Micro initiatives exist • Information is turned into useful knowledge across the board • Existing systems are suitable for a small family business • Recruitment systems are innovated by region/branch • Performance is measured in financial terms • Reward systems recognise top achievers

Table 5.3: Leadership as contributing factor to competitive advantage

LEADERSHIP
Leadership skills: • Strong leadership skills • We get where we are through leadership • Our leaders have shown 'courageous conduct' • Focussed regional leadership is in sync with company values • Our leadership is a vital conduit to superior performance • Leaders invoke confidence at grassroots level
Management skills: • Management is competent • Management styles differ in different regions, but all are successful • Regional management empowers its people to improve

Table 5.4: Organisational learning; the way to improve continuously

ORGANISATIONAL LEARNING
Personal goals: • Control of the region   • Sustaining market share   • To ensure that agents are trained to operate correctly in accordance with our values   • Ensure that we are ahead for the right reasons, i.e. 'living out our core values'   • To stay the market leaders   • Never to lose our core values   • Not to lose our drive to be 'number one'   • To entrench within our culture to 'be driven'   • 'To support and help drive change in order to ensure the sustained and on-going success of PGP'   • 'To be number one in the world'   • Getting our own divisions in order to sustain growth
Empowerment for improvement: • We are growing all the time   • Our loose structure allows for personal growth   • Aspirations differ and people are motivated differently   • Innovation is a fundamental part of our culture
Training as a tool towards individual learning: • Training is a key initiative towards improvement   • We constantly provide training as well as mentoring and coaching to agents   • Agents are provided with knowledge and skills to perform at their peak   • Individual learning stimulates organisational learning
Learning within the organisation   • We are continually challenged and therefore we learn all the time   • New knowledge is a differentiating factor   • To innovate we need to 'create new knowledge' and be prepared to embrace change   • Innovation creates a dynamic of 'wanting to succeed'   • We know that the environment has changed, but are we ready to adopt and if necessary challenge?

Table 5.5: Factors that have contributed to deteriorating levels of service according to company executives.

INTANGIBLE ASSETS
Tacit resources: • We have lost some top agents to the competition • We do not hold onto intellectual capital • Due to growth into other areas, the core business has become diluted
Cultural resources: • We need vision to know what we want to achieve and sustain values simultaneously • Company vision is particularly poorly communicated • We are too reliant on the 'unique spirit of Pam Golding' • 'We are fundamentally challenged' • 'We lack direction and common goals' • We are losing our values due to having to adapt to the changing market • Our values are not as profound and important as they used to be • We do not communicate our values, they should be our vision • Values filter down, but dilute fast
Network resources: • We are losing 'the edge' due to a changed competitive landscape • The competition is copying and improving on what we have done • Our competition is 'hungry and fresh' • We do not embrace change • Our culture is to be more like Pam and improvement is lacking • We are chasing the market • We are driven by the values of senior management • Clients expect superior service and we do not always deliver
COMPETENCES
Relationships: • More people due to growth has caused a dilution of the spirit • Due to the severe competitive environment, individuals feel insecure • Big ego's hurt relationships • Traditional model is that each agent has own business

Table 5.5 continued: Legend: Factors that have contributed to deteriorating levels of service according to company executives.

Teamwork:
- We have become increasingly fragmented
- No inter-regional teamwork
- No culture of teamwork due to remuneration method
- No synergy between departments/divisions
- Teamwork is within silo's, not across segments
- Deterioration has taken place due to nature of leadership and company size

Systems and procedures:
- Referral system is not up to date
- All systems are outdated
- What is available is not utilised
- Growth has resulted in not understanding what is needed
- Lack of communication – no integration
- Infrastructure has fallen behind rate of company growth
- Not efficient and effective

LEADERSHIP

Leadership skills:
- Vision is not communicated
- No common vision exists
- We are getting pulled and are not leading anymore
- Our leadership is inherently good, but we are not moving forward
- Leadership is still focussed on being a 'family business'
- Leadership has not kept up with the changing corporate environment
- We need to change faster in our core and not just grow bigger
- Change needs to be controlled, we tend to 'knee-jerk'

Management skills:
- Managers in certain areas are not strong enough to accommodate change
- We employ age-old policies and management principles
- Management gives roles to people without reviewing later
- Managers are building empires
- Operational skills are lacking in certain areas
- Managers are focussed on 'putting out fires'
- 'We are successful in spite of ourselves'
- Managers do not get their hands dirty
- There is no accountability

Table 5.5 continued: Legend: Factors that have contributed to deteriorating levels of service according to company executives.

ORGANISATIONAL LEARNING
Personal goals: • Our personal goals need to become part of our strategy, not only in planning, but they need to become 'real'   • All goals are regionally or departmentally driven
Empowerment for individual improvement: • We do not quite understand what is required to obtain our goals   • Nothing is in place   • We need to make a concerted effort to recognise and understand the current reality of the business and how it is changing
Training as a tool towards continuous improvement: • Training for leadership and managers is 'woeful'   • Too agent-focussed, must extend to all categories of staff   • Knowledge gained, should be applied – managers' task
Learning within the organisation: • We need to improve our attitude toward learning   • Innovation needs to be promoted and rewarded   • Change must be advocated   • The organisation must be prepared for the changing business environment   • We need small groups to work on challenges   • Chairman's networking function does not necessarily contribute to organisational learning   • More communication is required

Intangible assets as described by the interviewees have been listed in table 5.1 on page 62 under the headings: tacit resources, cultural resources and network resources in accordance with the model of sustainable competitive advantage on page 46. Table 5.2 on page 63 represents organisational competencies under the headings: relationships, teamwork as well as systems and procedures and table 5.3 describes the role that leadership plays with regard to management and leadership skills. Table 5.4 on page 64 tabulates organisational learning within the case study organisation pertaining to personal goals, empowerment for improvement, training as individual learning tool and learning within the organisation. These

four tables reflect the historic resources that have contributed to the organisation's competencies over the past ten years.

The factors that have been identified by the interviewees as having contributed to deteriorating competence within the organisation are formulated in table 5.5 on pages 65 to 67, under the same headings.

5.2.2 Analysis and interpretation of data

An analysis of the tabulated data (tables 5.1 – 5.5) is made and interpreted in accordance with key resource types, being intangible assets that have no physical form, company competencies that are invisible as well as leadership and management skills and organisational learning for continuous improvement.

5.2.2.1 Intangible assets and deteriorating factors (tables 5.1 and 5.5)

The recruitment and appointment of competent managers as well as agents who possess the required attributes of determination, confidence, passion and integrity and the ability to retain them is regarded as the most important tacit resource within the organisation. It is evident that the people employed by Pam Golding Properties and the qualities that they have are a very valuable resource that make up the backbone of competitive advantage. The intellectual capital that these employees possess is lost when people leave the organisation and nothing is being done presently to garner and protect this tacit knowledge. In order to sustain competitive advantage, the people that are recruited and appointed must be retained. Due to the changing competitive environment with new companies entering the market, retention of 'top people' has become a necessity.

The current low turnover of management contributes to sustainability as experience was ranked as a manager's most valuable asset.

Quality of service delivery is seen as being inculcated in the daily culture of the organisation with sincerity, integrity and professionalism being indicators of the way in which superior service is delivered. The way in which service is delivered is deemed to be more valuable than the actual service that is delivered, thus indicating that the core values of the company guide its employees' behavioural principles. These core values form the foundation of the corporate culture and find their origin within the Golding family and its vision, hence the remark by the

interviewees that 'the unique spirit of Pam Golding' represents the culture within the company that is characterised by 'ethics and honesty'. The company's success is seen to rest very heavily on its values.

The fear, however, exists that the company is losing its advantage by becoming too reliant on 'who we are' and by losing focus on the actual delivery of superior service that is important to clients. Another fear is that the changing market with more competition is resulting in a loss of the values that have become synonymous with the company. The rapid growth of the company has also resulted in the dilution of values as a lack of direction and common goals exist and no vision is communicated to current employees. Many of the employees that were with the company ten years ago and longer before that and who were part of creating the value system, have left the company creating a void that has not necessarily been filled. Sustainability is severely compromised due to the lack of communication of a profound vision to all employees and therefore it is experienced by an interviewee that 'we are fundamentally challenged'.

Ease of communication and networking amongst employees is of paramount importance in the estate agency business as many purchases take place as a result of sales. This happens easily in a small company, but becomes all the more difficult when major growth takes place in a relatively short period of time. The interviewees are all of the opinion that regions are networking well internally, which results in good local service delivery. Due to the company's past performance and resulting reputation, clients expect superior performance, but it is not always delivered due to a lack of inter-regional communication.

Marketing of the brand as 'number one' is seen to be 'paramount in a competitive environment'. The brand is described as trustworthy, prestigious, quality, inspirational, traditional, established and elevated. Due to the fact that new and fresh competition has entered the real estate market, resulting in major branding and marketing initiatives rivalling those of Pam Golding Properties and the fact that the company has relied heavily on its marketing and branding to establish itself as the 'number one' real estate brand in South Africa, the company needs to embrace this changing environment in order to retain its competitive advantage.

The majority of those interviewed are of the opinion that this is not the case due to the company's culture that relies on existing and traditional values (those of senior management) and continuous improvement is therefore lacking. This 'brand stagnation' can result in a tarnished reputation as PGP is currently 'chasing the market' and not leading through innovation as in the past. The company's reputation is described as positive, excellent, impeccable, respected, reputable, trustworthy, the best and representative of family values.

5.2.2.2 Competences and deteriorating factors (tables 5.2 and 5.5)

Competences that exist within the organisation are those assets that the company possesses that are invisible and relate to relationships, teamwork and the utilisation of systems and procedures.

Leadership in the organisation is astutely aware of the importance of cultivating and building good relationships within the company, as 'people are the differentiating factor in a service organisation'. The established nature of the organisation provides the workforce with loyalty, status and security as well as this knowledge relating to the vital role that people play in providing superior service.

There is, however, an underlying fear that the rapid growth and diversification within the organisation has caused a dilution of this spirit of particularly loyalty and security. This individual insecurity is compounded by the severe competitive environment and the traditional business model that exists where each agent or partnership is 'running its own business' within the organisation. The interviewees are of the opinion that the agents have come to expect the company to provide them with loyalty, status and security but are focussed internally to such an extent that they do not always reciprocate. Relationships are therefore nearly always under strain due to this anomaly of interests.

Teamwork presents itself positively in the celebration of successes and small teams with the same goals work extremely well together in geographical areas (sales teams) and service divisions (marketing, human resources, finance, information technology, training, referrals). There is, however, a lack of teamwork inter-regionally with regard to sales teams and each division works in relative isolation with little if any synergy taking place between these divisions. The referral division provides for teamwork inter-regionally, but the interviewees

were not convinced that national referrals were being optimised and some were of the opinion that it was out of date.

The need for better teamwork was stated strongly by the interviewees who blamed the size of the company and leadership's strong focussed drive for growth and diversification for the lack of teamwork and fragmentation within Pam Golding Properties.

Micro initiatives exist individually in the utilisation of systems and procedures. Some managers have focussed on developing their own 'tried and tested' methods of data collection. This information is not shared. A lack of communication inter-regionally as well as between divisions has resulted in no integration taking place and important knowledge going to waste. In general, information that is gathered in the different regions is turned into 'useful knowledge' across the board, but there is no specific procedure in place to collect meaningful data that all the regions can gain from as a whole. There is no procedure in place for knowledge management or knowledge sharing in an organised way and recruitment systems are innovated by region or branch.

Performance is measured in financial terms and the national rewards system recognises top achievers only. It was mentioned that the rapid and in some cases unbridled growth of the organisation has resulted in a lack of understanding of systems and procedures that are needed to run the organisation efficiently and effectively and that the current infrastructure 'has fallen behind the rate of company growth'.

5.2.2.3 Leadership and deteriorating factors (tables 5.3 and 5.5)

A distinction is drawn between 'management' and 'leadership'. The role that management has to play at an operational level in the actual conversion of resources into superior performance is paramount for sustaining competitive advantage and the role that leadership in general has to play is more motivational and inspirational by providing the organisation with vision and direction.

Interviewees were of the opinion that management is competent, that management styles differ in the different regions, but are successful and that regional management was largely focussed on improving their region and empowered individuals in their region to improve. Managers were 'building empires' in their respective regions and branches and not

considering the well being of the organisation as a whole. Certain managers were viewed as 'not strong enough to accommodate change' and company management principles and policies are seen to be outdated where managers are focussed on 'putting out fires' and are successful 'in spite of ourselves'. It was also mentioned that operational skills were lacking in certain areas and that managers do not 'get their hands dirty'.

It was expressed that strong leadership skills were evident and that the company's position as market leader can be contributed to the organisation's leaders and their 'courageous conduct'. Leaders invoke confidence in their employees and their leadership is 'in sync with company values'.

The fact that no common vision exists was of concern to the bulk of the interviewees, and that the vision that leadership may have for the company is not communicated throughout the organisation. This has resulted in a loss of focus and the feeling exists that 'we are getting pulled and are not leading anymore'. Leadership is still focussed on being a family business and not keeping up with the changing corporate environment. There is a definite feeling that the company's core needs to change faster and not necessarily grow faster. Changes need to take place in a controlled manner and not in a 'knee-jerk' fashion.

5.2.2.4 Organisational learning and deteriorating factors (tables 5.4 and 5.5)

Organisational learning is viewed as individual improvement that results in collective organisational improvement.

The personal goals of executives that were interviewed were all related to success in their regions or in some instances, the company's overall success. This success was either sales driven or values driven, with sales twice as important as values and regions featuring stronger than the company. They were of the opinion that their personal goals needed to become part of the company's strategy to sustain competitive advantage, not only in a planning capacity, but also in reality.

They were of the view that they themselves and the other employees are empowered to improve and grow individually and that personal growth was encouraged taking differing aspirations into account. Guidance and clarification of what is necessary to achieve goals and change is needed so that the current reality of the business can be understood better.

Innovation for improvement is deemed a fundamental part of PGP's culture. Training within the company is seen to be a key initiative towards improvement as training is provided on a continuous basis as well as mentoring and coaching to new comers. They are provided with both knowledge and skills to enable them to perform at their peak and individual learning stimulates organisational learning. Managers should ensure that knowledge gained during training sessions is applied. Training for leadership and management is lacking, as training is too 'agent-focussed'.

The nature of the property industry is such that participants are continually challenged and therefore learning takes place all the time. In these circumstances only those who are innovative and can 'create new knowledge' and are prepared to embrace change will succeed in sustaining competitive advantage, as this is the differentiating factor in a competitive environment. The environment has changed. Those operating within this environment must adopt the change or if necessary, challenge it.

The overall attitude toward organisational learning needs improvement, change must be advocated and innovation needs to be promoted and rewarded. For this to happen, communication within the company needs to be improved in general.
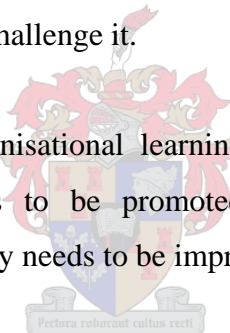
5.3 DATA COLLECTION BY MEANS OF QUESTIONNAIRES

5.3.1 Report on questionnaires

A survey was conducted by means of questionnaires sent out to members of Pam Golding Properties in order to establish the merits of the key resources that were gathered by means of interviews with company executives. These questionnaires were sent out electronically to one hundred and ten employees who were made up as follows: fifteen company executives, thirty-five managers, thirty agents and thirty administrative personnel. These employees are based in the head office in Cape Town, and the regions of Gauteng, Western Cape and Boland and Overberg as these are the three main regions of operation of the residential company.

Fifty-three responses were received that represent a return rate of 48.18% and were represented as per the following table:

Table 5.6: Respondents to the questionnaire

RESPONDENTS	REGIONS				
	Head Office CT	**Gauteng**	**Western Cape**	**Boland and Overberg**	**Total**
Executives	6	1		1	**8**
Managers	2	6	8	6	**22**
Estate Agents		4	4	4	**12**
Administrative	2	3	3	3	**11**
Total	**10**	**14**	**15**	**14**	**53**

Thirty-five of the respondents were female and eighteen were male and their average tenure at the organisation is approximately seven years and three months.

The questionnaire consisted of two sections, the first containing questions pertaining to information about the respondents and the second with questions relating to intangible assets, competences, organisational leadership and learning within the organisation. Intangible assets being tacit, cultural and network resources were grouped together. Competences relating to relationships, teamwork and systems and procedures were grouped and all these key resources were tested for importance to the organisation (key), the value they add for clients of the organisation, sustainability (barriers to duplication, non-substitutability and durability) and transferability.

The questionnaire contained a total of eighty-four questions in section 2 of which eight were open-ended and set at the end of each sub-section namely: tacit resources, cultural resources, network resources, relationships, teamwork, systems and procedures, leadership and organisational learning. The remaining seventy-six questions were answered according to a Likert scale with four variables ranging from 'strongly agree, agree, disagree and strongly disagree'. These were graded for their responses from 4 through to 1.

A reliability factor of .967244 (Cronbach alpha) and .969765 (standardised alpha) was recorded overall and the responses ranged between 2.2 and 3.8 as represented in figure 5.2.

These responses to the questionnaire were obtained in order to establish the merit of key resources within Pam Golding Properties.
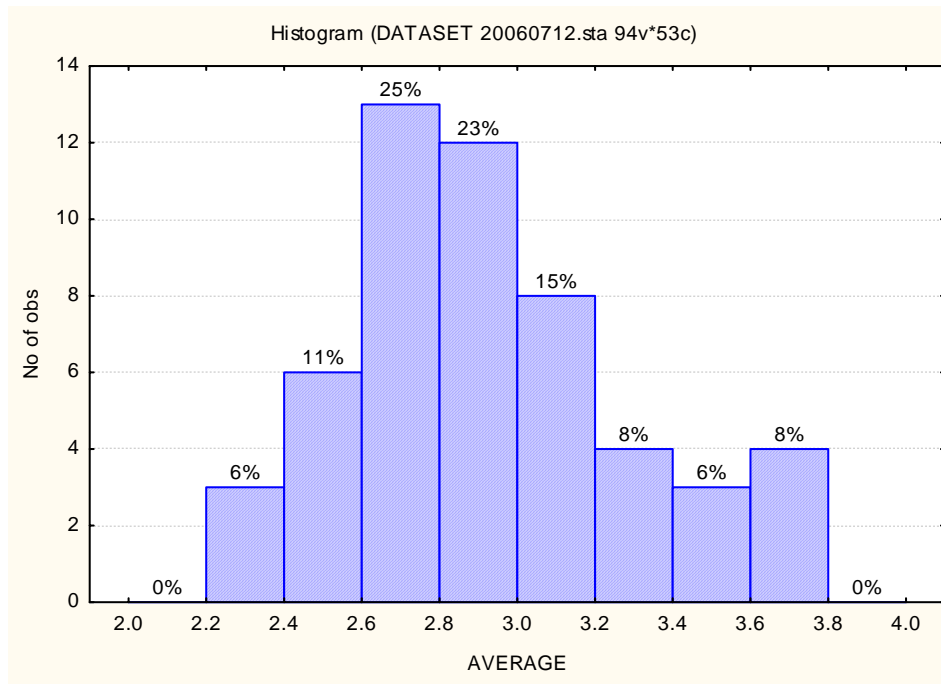
Figure 5.2: A histogram depicting the spread of average responses to the Likert style questions in the questionnaire.

With 2.2 forming the lower parameter on the scale of responses and 3.8 the higher parameter and with 1 being the score for 'strongly disagree' 2 for 'disagree', 3 for 'agree' and 4 being the score for 'strongly agree', the above histogram gives an indication of how the average scores are spread across the board.

5.3.2 Analysis and interpretation

The captured data has firstly been analysed statistically to present the information re intangible assets, competences, leadership and organisational learning with reference to responses supplied by the respondents according their position in the organisation, being executives, managers, agents and admin staff. The analysis of this data provides the researcher with knowledge regarding the opinions of the different categories of respondents in order to compare the views of the different stakeholders within the organisation and this analysed data is interpreted according to average responses received to questions in the questionnaire. Comments made by the respondents in open-ended questions are also recorded in order to provide in-depth information that might be lacking in the structured questions.

The captured data has also been analysed statistically according to the regions that the respondents operate in. The average scores per region are analysed and interpreted in order to establish whether vast differences of opinion exist in the regions as well as amongst the regions.

Thereafter, the structured questions are rated in descending order, according to all responses received relating to validity, value, sustainability and transferability. This rating is undertaken both in their respective sections under intangible assets and competences. Organisational leadership with reference to leadership and management skills as well as organisational learning are also rated in descending order, according to responses received (see appendix C).

A rating is then undertaken to establish in descending order, the resources in accorsdance with the views per region, being the head office in Cape Town, the Gauteng, Western Cape and Boland and Overberg regions (see appendix D).

All the questions are then rated in the same way, according to responses received, but as a single group in order to ascertain the overall positioning of responses with respect to competitive advantage (see appendix E). Responses are also sorted according to their validity and characteristics of key resources, to ascertain which resources are viewed by the stakeholders to represent the most valid, contribute the most value, cannot easily be duplicated by competitors, possess advantages that cannot easily be substituted, are durable and can transfer to other divisions of the organisation (see appendix F).

The analysis of this data provides the information that is necessary to interpret which resources that were supplied by the executives during the structured interviews, are deemed to be valid by all the stakeholders and answer to the fundamental characteristics of sustainable competitive advantage within the reality of the service environment in which Pam Golding Properties operates.

5.3.2.1 Analysis and interpretation of data according to stakeholders

Figures 5.2 to 5.4 represent PGP executives', managers', agents' and administration staff's responses to the questionnaire regarding intangible assets (figures 5.2.1 to 5.2.4), competences (figures 5.3.1 to 5.3.4), organisational leadership (figures 5.4.1 to 5.4.3) and organisational learning (figure 5.5). These direct responses to questions as well as comments made in the spaces provided at the end of each section, are indicated and analysed.

- **Intangible assets (figures 5.2.1 to 5.2.4)**

This analysis determines the stance of the above-mentioned group of respondents with respect to their responses regarding intangible assets in three subsections, namely: tacit resources (fig.5.2.1), cultural resources (fig.5.2.2) and network resources (fig. 5.2.3). Thereafter a summary of responses with regard to intangible assets is analysed (fig.5.2.4).

Tacit resources (knowledge, skills and experience)

RESPOND CAT; Weighted Means
Current effect: $F_{(3, 49)}=1.5450$, $p=0.21$ Kruskal-Wallis $p=0.17$
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

Figure 5.2.1 Tacit resources according to responses from different categories of employees in the organisation

Figure 5.2.1 depicts company executives as having a wide range of opinion ranging from 3.41 to 2.48 (difference of 0.93) showing that there is little congruency amongst this group in relation to PGP's ownership of knowledge, skills and experience with reference to value to the client, sustainability and transferability.

Managers on the other hand were more in agreement with responses ranging from 3.16 to 2.80 (difference of 0.36), but with average scores of executives at 2.95 and managers at 2.98, the opinions of executives and managers were similar and represented a positive view, with that of managers only slightly higher than executives.

The estate agents, who are out in the field on a daily basis dealing with clients, were not that positive with an average score of 2.67 and the administrative staff in general with an average score of 2.87, held a less positive view than members of the executive and managers, but more so than the agents. This could be indicative that executives and managers are out of touch with the realities of the effect that tacit resources have in the marketplace.

The belief that recruitment of the 'right type' of agents and managers with the necessary knowledge, skill and experience, is of vital importance is held by all and the perception exists that there is a low turnover of managers at PGP. The agents and administrative staff stand more critical to the choices that are actually being made regarding recruiting on a day-to-day basis.

In supplying comment regarding employees and managers and their knowledge, skills and expertise, executives are of the opinion that PGP employees are driven to perform by client expectations due to the brand's strong position in the marketplace.

Managers have wide ranging opinions, ranging from the fact that all people can be replaced, to a sincere belief that the agents are highly qualified to deal professionally and ethically with their clients but that recruitment of staff 'is difficult', and that PGP agents and managers are judgemental and rely on the 'company profile to carry them'.

There was a feeling amongst agents that recruiting of staff needed more attention and administrative staff commented that long-standing managers in the group were resistant to change, in particular to black empowerment appointments.

Cultural resources (values, beliefs and preferred behaviours)

RESPOND CAT; Weighted Means
Current effect: F(3, 49)=1.9369, p=0.14 Kruskal-Wallis p=0.11
Effective hypothesis decomposition
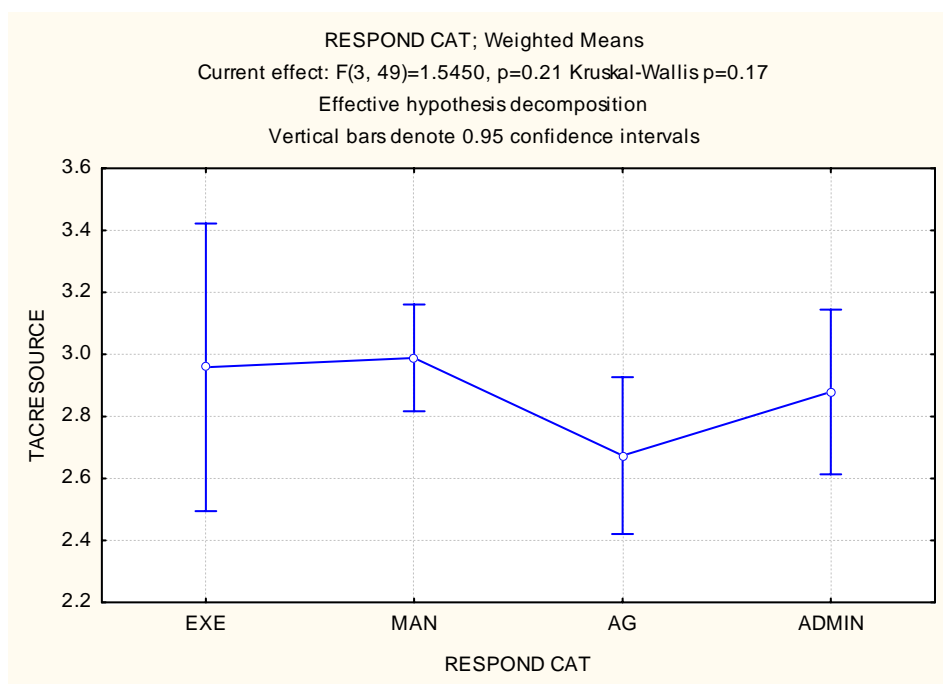Vertical bars denote 0.95 confidence intervals
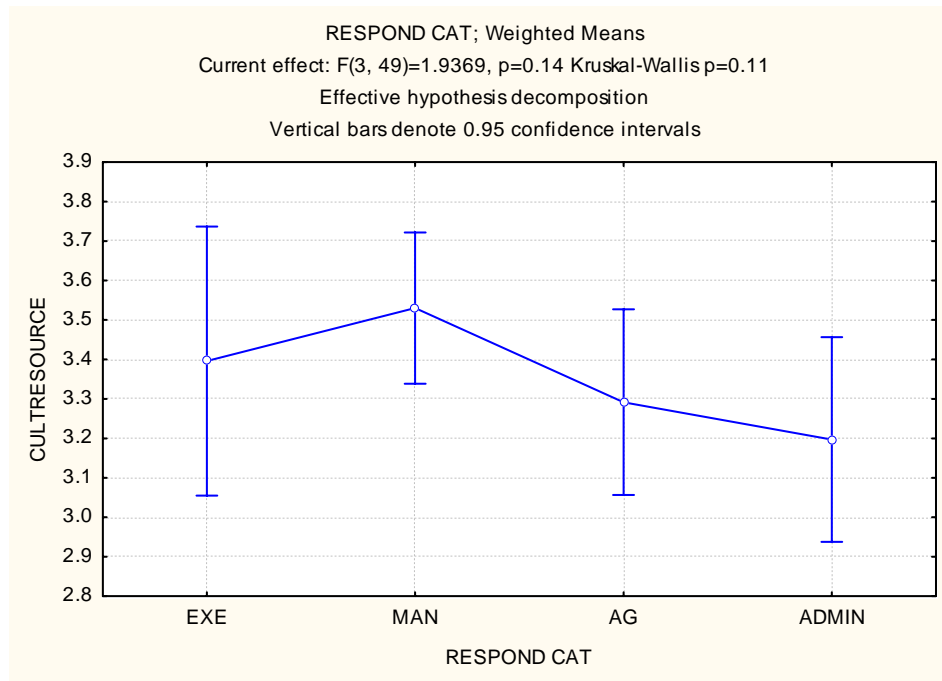
Figure 5.2.2: Cultural resources according to responses from different categories of employees in the organisation

Figure 5.2.2 depicts company executives as once again having a wide range of opinion with a high score of 3.73 and a low score of 3.06 (difference of 0.67), showing that there is not much congruency amongst this group in relation to the organisation's values, beliefs and preferred behaviour with particular reference to value to the client, sustainability and transferability. The average score of executives is however, a high 3.39 which can be interpreted as a very positive stance toward the value of cultural resources that exist within the organisation.

Managers were once again more in agreement with one another, recording a high score of 3.72 and a low score of 3.33 (difference 0.39), and on average their opinions at an average of 3.53 were collectively more positive than the executives at 3.39. The estate agents were less positive at 3.29 and the administrative staff held an even less positive view at 3.19. This difference of opinion is considerable between managers and administrative staff working in the organisation, which is an indication that managers believe that PGP employees act in an ethical and honest manner and that the existing culture is highly rated, but that the administrative staff do not herald as positive a view.

In their commentary, executives expressed the opinion that clients recognised and appreciated the organisation's values, beliefs and the way in which its staff members conducted themselves.

Managers held the view that the existing culture embodied more than service delivery and that the organisation's chairman inspired them to emulate her in their daily dealings with clients and staff members. They are also of the opinion that existing culture of ethics and honesty had to be nurtured, but that managers and agents were to guard against being opiniated and judgemental. The opinion was also expressed that the rental and commercial divisions 'are not in the same league when it comes to professionalism.' One manager felt that the agents did not necessarily uphold the values of ethical and honest conduct at all times and it was also felt that 'PGP commission rates prevent clients from doing business with us and lower end clients are intimidated by the PGP brand.'

Agents were of the opinion that core values exist between the organisation and the client, but was lacking between the organisation and the agent and that PGP Commercial did not represent the same culture as the residential organisation and another held the view that the rental division 'lets the company down many a time'.
Administrative personnel were of the same opinion, commenting that in their opinion the rental division did tremendous harm to the name of PGP.

Network resources (employees: communication and referrals; clients: reputation and branding)

Figure caption inside the chart:

RESPOND CAT; Weighted Means
Current effect: $F(3, 49)=.68110$, $p=0.57$ Kruskal-Wallis $p=0.62$
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals
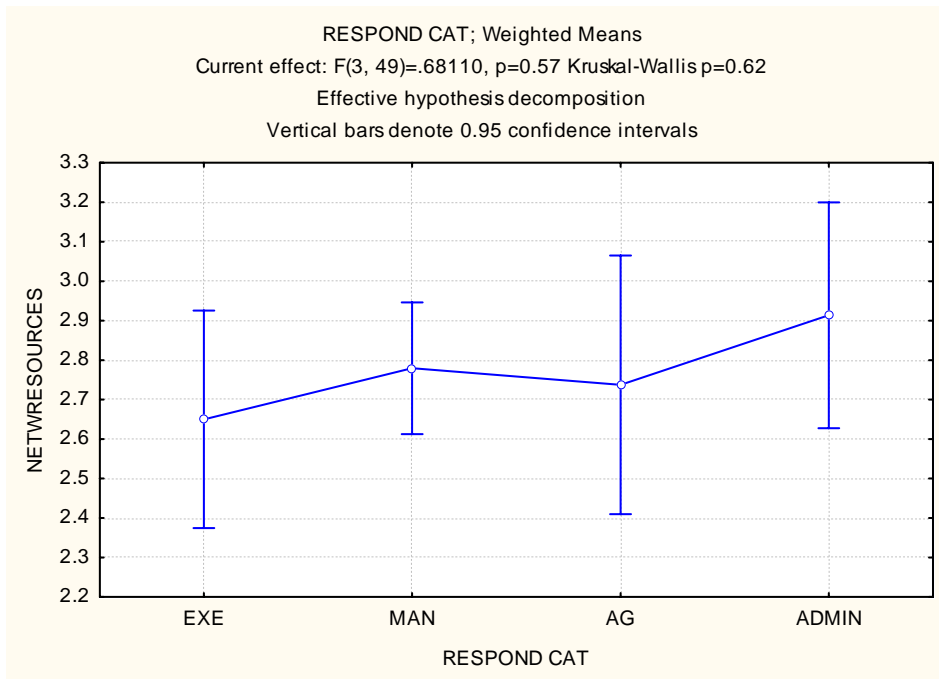
Figure 5.2.3: Network resources according to responses from different categories of employees in the organisation

Respondents views are depicted in Figure 5.2.3 where executives score the lowest average of 2.65 when expressing their views regarding network resources within PGP maintaining that communication within the company needs to improve, that the referral system needs to be reviewed and that company employees are required to uphold the organisation's reputation and not rely on the brand to create business. They do, however agree that reputation and the brand go hand in hand and that a tarnished reputation can erode the value of the brand.

Managers score a slightly higher average of 2.77 and once again have a more congruent opinion with virtually the same highest score as the executives, but a higher lowest parameter which means that they are more positive in their attitude toward the organisation's network resources including reputation and branding and the value that these resources add to clients' interests.

Agents differ substantially with regard to network resources and the contribution that they make toward sustainable competitive advantage within the company. Their average score of 2.73 is higher than that of the executives, but lower than those of the managers at 2.77 and administrative personnel at 2.91, who have the most confidence in current company

communication, the referral system, reputation and brand. It is however, telling that the highest score is below the threshold of 3, indicating relatively low confidence levels overall with respect to network resources within the organisation. Levels of communication, particularly inter-regionally and from the top down are viewed as insufficient and the executives, agents and managers do not have as high a regard for the current referral system as the administrative staff.

Although they agree that marketing the brand is paramount in a competitive market and that the prominence of the PGP brand provides distinct value to PGP clients, managers and executives in particular are wary of an over-reliance on the brand, without there being an on-going awareness of the need to be operationally skilled to operate in the changing competitive environment. Service delivery at an exceptionally high level is as important as brand awareness – especially in a market that is becoming increasingly more competitive.

In commenting on network resources, executives are of the opinion that new divisions in the organisation, leverage off the existing strong brand, but that 'operational effectivity within the divisions is essential to avoid tarnishing the brand' and that reputation is an integral part of the PGP brand.

Managers believe that communication in the organisation is adequate but that inter-regional communication can improve and that the current referral system needs urgent attention as it is 'cumbersome and slow', valid communication does not exist in terms of referrals and the system is not being utilised to its full potential. They maintain that the PGP brand needs to be promoted constantly and although reputation enhances the brand, it does not ensure client loyalty and individual agents in the field can tarnish the brand's reputation.

Both agents and administrative staff agree that the referral system is an asset, but needs to be modernised so that the communication between referring parties is more efficient and effective.

Summary of responses to intangible assets as key resources, compared in terms of respondents' positions in the organisation

RESPOND CAT; Weighted Means
Current effect: $F_{(3, 49)}=.57140$, p=0.64 Kruskal-Wallis p=0.56
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals
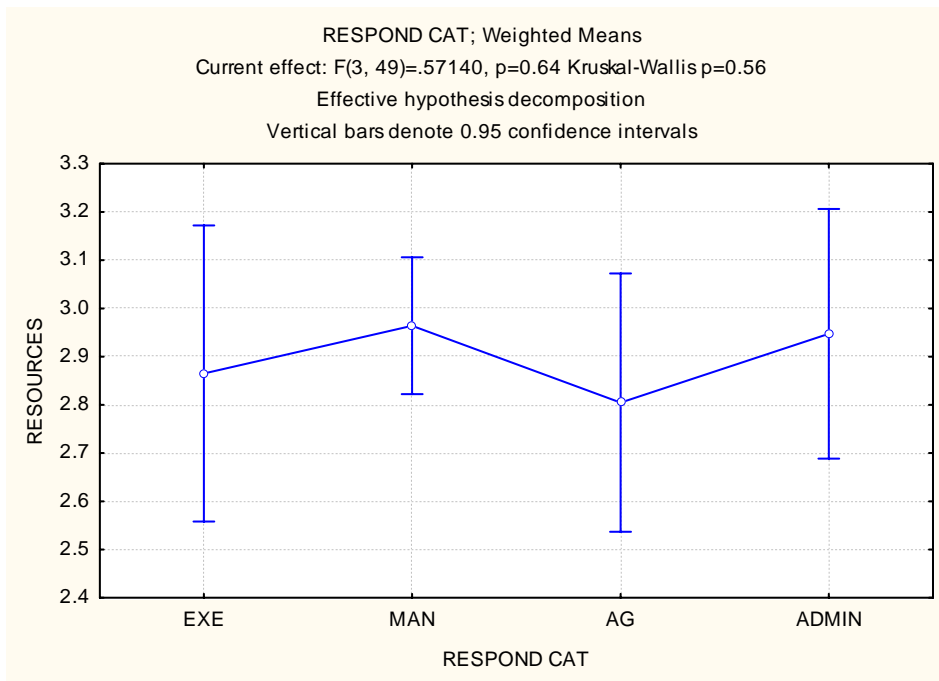
Figure 5.2.4: A summary of intangible assets according to responses from different categories of employees in the organisation

Figure 5.2.4 depicts a summary of executives', managers', agents' and administrative staff's responses to intangible assets as resources, which are key to the organisation's competitive advantage, add value for the client, are sustainable and transferable.

The administrative staff has responded with the highest score of 3.2 on the scale and the agents' highest score in terms of intangible assets and the contribution they make towards providing PGP with a sustainable competitive advantage is 3.08. Managers have the most congruent outlook and executives have the widest variance in their opinions. All four groups are relatively close to one another in their viewpoints with averages of 2.96 (managers), 2.94 (administrative staff), 2.86 (executives) and 2.80 (agents).

- **Competences (application of intangible assets) (figures 5.3.1 to 5.3.4)**

This analyses determines the stance of the above-mentioned group of PGP employees with respect to their responses regarding competences in three subsections, namely: relationships within the organisation (fig.13.1), teamwork (fig.13.2) and the utilisation of systems and

procedures (fig. 13.3). Thereafter a summary of total responses with regard to competences is analysed (fig.13.4).

Relationships within the organisation
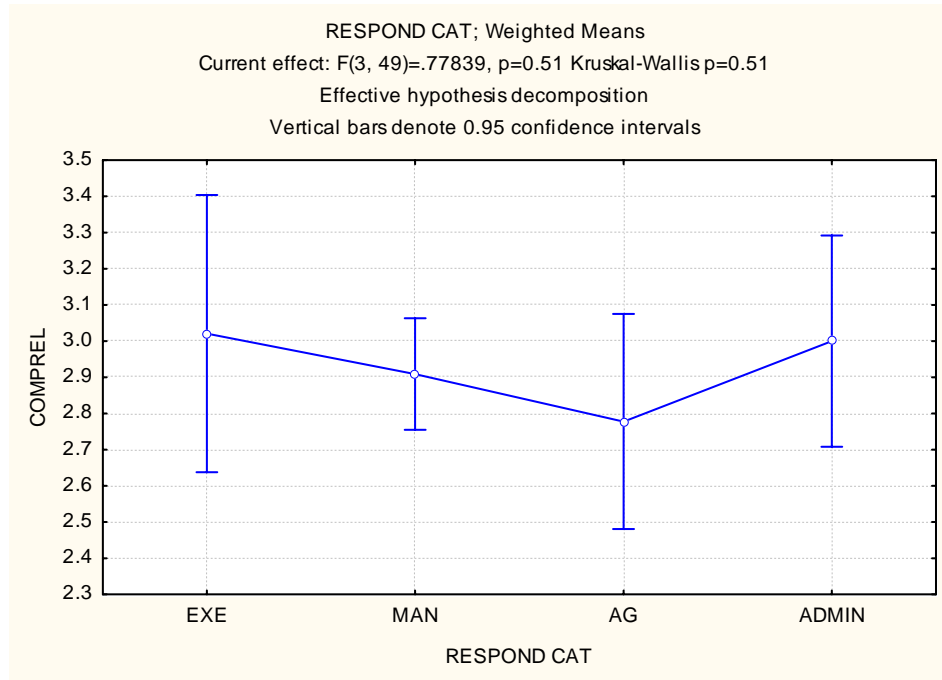
Figure 5.3.1: Company relationships, recorded in accordance with views expressed by different categories of employees

Figure 5.3.1 depicts the views of employees with regard to relationships within PGP. There is a large discrepancy in the opinions of the executives with an average of 3.02 compared to the agents with an average of 2.77. The executives also show a considerable difference of opinion amongst themselves, with averages recorded ranging from a high of 3.40 to a low of 2.62 and, which relates to a difference of 0.78. Managers on the other hand, are much more in agreement as a group with a high of 3.08 to a low of 2.73 and being recorded which in turn relates to a difference of 0.35.

Agents' views range between 3.09 and 2.49 (difference of .60) with an average of 2.77 and administration staff's responses range between 3.3 and 2.72 (difference of 0.58), averaging at 3.0 and managers' average count is 2.9. This indicates that the administrative staff experiences company relationships in a more positive light than managers or agents, who have recorded the lowest average with respect to relationships in general.

This could be indicative of the fact that the environment in which managers and agents operate on a daily basis is extremely competitive and that relationships with the people with whom they work, are not as important to them as 'doing the deal'. The nature of a commission-earning environment in which the agents work, can also be a contributing factor to their low average score concerning relationships. On average, the executives and the administrative staff who are very close in their viewpoints with respect to this matter believe that good relationships lead to loyal employees that remain with the organisation.

Executives, agents and administrative staff did not comment on company relationships. Managers remarked on the important role that the existing monthly meetings of agents and managers play in fostering good relationships where employees are reassured of the importance of their contribution to the success of the company. Some are however of the opinion that the company does not do enough to foster relationships and that individual needs are not catered for; but that the emphasis is 'all about the bottom line' and also that no effort is made to 'involve partners and spouses'. Another manager is of the view that the 'family relationship' has been diluted due to rapid growth which has brought about a change in attitude by which PGP has become more 'corporate' which they view as regrettable.

Teamwork

RESPOND CAT; Weighted Means
Current effect: $F_{(3, 49)}=1.0657$, p=0.37 Kruskal-Wallis p=0.53
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals
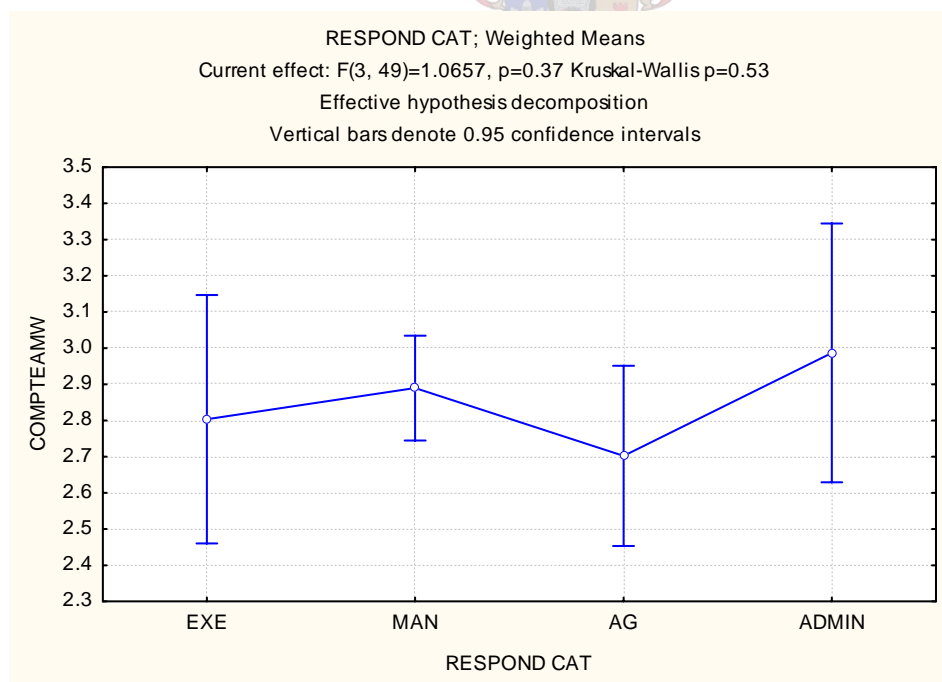
Figure 5.3.2: Teamwork within the organisation, recorded in accordance with views expressed by different categories of employees

In figure 5.3.2 responses of the executives ranging between 3.08 and 2.41 (difference of 0.67) and administrative staff with responses between 3.33 and 2.64 (difference of 0.69), indicate varying views within their groups in relation to the topic of teamwork within PGP. Managers take a very similar stance with scores of between 3.06 and 2.71 (difference of 0.35). The administrative staff however, records the highest average belief in teamwork at 2.98 and the agents, the lowest at an average of 2.70. This outcome may have its origin in the nature of these groups' working environment, where administrative staff function more as a team than the agents who act individually.

All four groups' averages lie in close proximity of one another with executives recording an average of 2.80, managers recording 2.88, agents at 2.70 and administrative staff at 2.98. This relates to an overall similar view about the general level of teamwork in the organisation where teamwork in geographical areas and in the various divisions is relatively evident, but not inter-regionally. Although all four groups recognise the advantages of teamwork and the fact that teamwork builds relationships and nurtures loyalty amongst the workforce, they are of the opinion that each region within PGP acts in isolation, but that the teamwork within the regions is very strong.

Executives and administrative staff have not commented on teamwork, but managers have indicated that consideration should be given to specific teambuilding exercises amongst the various offices and that there is definitely room for improvement especially amongst the various divisions and departments within PGP. Mention is also made that there is a lack of teamwork amongst franchises and in respect of franchises toward the branch company who 'almost treat us as competition. One manager has also commented on the lack of teamwork that exists between company leaders and the rest of the organisation.

Agents have expressed the opinion that there is little or no teamwork evident in the organisation, due to the competitive environment and that it is 'each man for himself'. Some agents have the view that their operating areas are not clearly defined and that this leads to a conflict of interest amongst the agents, which is clearly not conducive to teamwork across area borders.

Systems and procedures

RESPOND CAT; Weighted Means
Current effect: F(3, 49)=4.7848, p=<0.01 Kruskal-Wallis p<0.01
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals
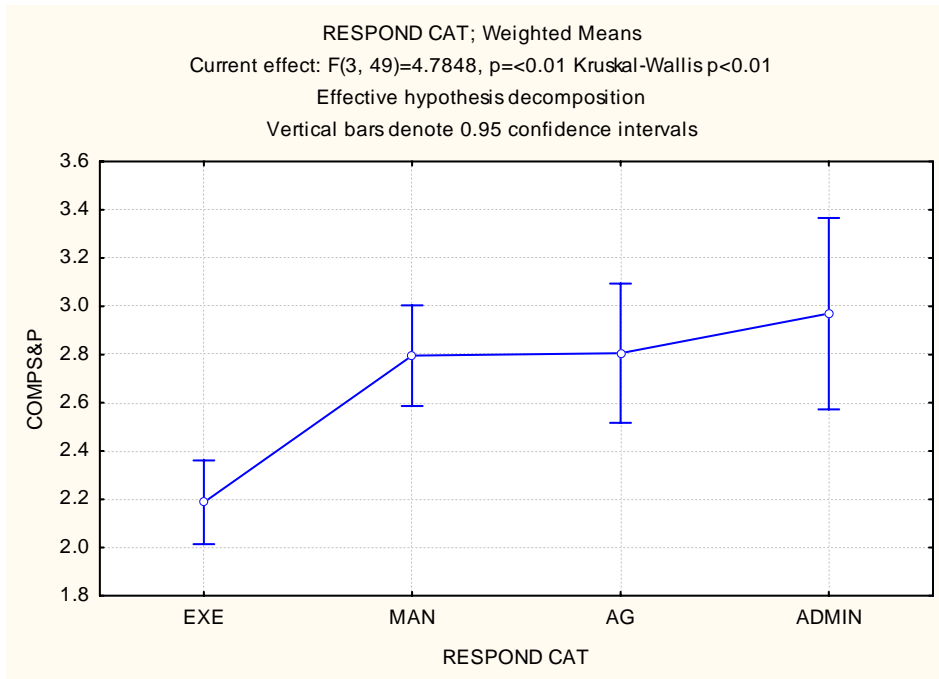
Figure 5.3.3: The utilisation of systems and procedures, recorded in accordance with views expressed by different categories of employees

Executives' responses in figure 5.3.3 indicate that they hold similar views within the group, regarding the utilisation of systems and procedures in the organisation with responses ranging between 2.35 and 2.01 (difference of 0.34). This is the only aspect of the questionnaire where they are virtually in total agreement. Their collective view however differs considerably from the rest of the field, whose average scores are in very close proximity of one another at 2.96 for administrative staff, 2.8 for agents and 2.79 for managers. Executives have responded with an average score of 2.18, which is way below that of the others, indicating a lack of confidence in current systems, but that is not shared by the rest of the company.

Managers, with responses ranging from 2.96 to 2.59 (difference of 0.37) are also in agreement and agents with responses ranging from 3.07 to 2.53 (difference of 0.54), both hold relatively similar opinions in their group whilst there is a slightly larger difference of opinion in the administrative group, whose scores range from 3.35 to 2.68 indicating a difference of 0.67.

Whilst all four groups are in agreement that systems and procedures are key to the success of the organisation, they herald the opinion that the current systems and procedures can be duplicated by competitors and should be replaced.

Comments made by executives indicate very little confidence in current systems and procedures that are utilised within the company and that total renewal is an absolute necessity. Some managers are not quite as outspoken and suggest that current systems need to be 'fine tuned' or they have indicated that there is always room for improvement although they are happy with the status quo, whilst others insist that 'systems and procedures 'are way behind' and that improvement is 'vital and cannot be delayed any longer'. One manager is of the opinion that more training needs to take place in with regards to PGP systems and that employees need more motivation to actually use the systems that are in place. The opinion has also been expressed that the systems that are being utilised are out of date and flawed in many respects. Agents have indicated that the inter-linking between computers and training is not 'user-friendly to the average agent' and administrative staff did not comment on this topic.

Summary of the utilisation of systems and procedures within the organisation

RESPOND CAT; Weighted Means
Current effect: F(3, 49)=1.3823, p=0.26 Kruskal-Wallis p=0.25
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

Figure 5.3.4: **A summary of competences within the organisation, as recorded in accordance with views expressed by different categories of employees**

Figure 5.3.4 illustrates the collective responses of the four different categories of PGP employees to competences in the organisation in general. Opinions of executives vary from 2.93 to 2.52, which indicates their differences in opinion are they are not too vast at 0.41, whilst managers once again have similar opinions, with responses ranging from 3.02 to 2.71,

indicating a difference of 0.31. The administrative staff group indicate the largest difference in opinion at 0.63, with scores that are recorded between 3.30 and 2.67.

With average responses of 2.98 for administrative staff, 2.86 for managers, 2.75 for agents and 2.67 for executives, there is congruence amongst the groups in general.

- **Organisational leadership (figures 5.4.1 to 5.4.3)**

This analyses determines the stance of the different categories of PGP employees with respect to their responses regarding leadership skills in two subsections, namely: leadership, being company executives (fig.5.4.1) and management, being regional, branch and division management (fig.5.4.2). A summary of total responses with regard to organisational leadership is also analysed (fig.5.3.4).

Leadership (company executives)

RESPOND CAT; Weighted Means
Current effect: $F_{(3, 49)}=1.0778$, $p=0.37$ Kruskal-Wallis $p=0.24$
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals
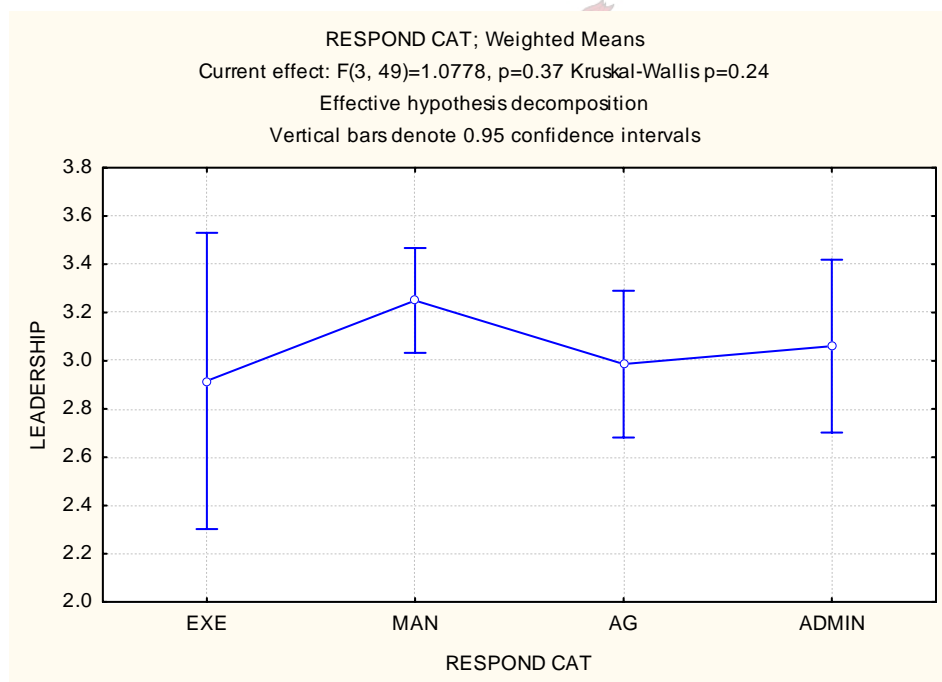
Figure 5.4.1: The role of leadership skills within the organisation, recorded in accordance with views expressed by different categories of employees

Figure 5.4.1 depicts the view that PGP employees have regarding the current leadership skills of company executives in general and the opinions of company executives themselves, shows a wide range of differing opinions, ranging from 3.58 to 2.35 (difference of 1.23) with an average of 2.91. Managers have a more congruent set of results between 3.48 and 3.01

(difference of 0.47), with a high average of 3.25 and agents with an average of 2.98 and administrative staff at 3.06 do not vary particularly much in their opinions that are closer to that of the executives, than the opinions of the managers.

All the respondents reached general consensus that PGP's leading market position could be attributed to strong organisational leadership, but that leadership's vision for the organisation is not communicated throughout the organisation.

Management (regional, divisional and branches)

RESPOND CAT; Weighted Means
Current effect: $F_{(3, 49)}=1.6282$, $p=0.19$ Kruskal-Wallis $p=0.16$
Effective hypothesis decomposition
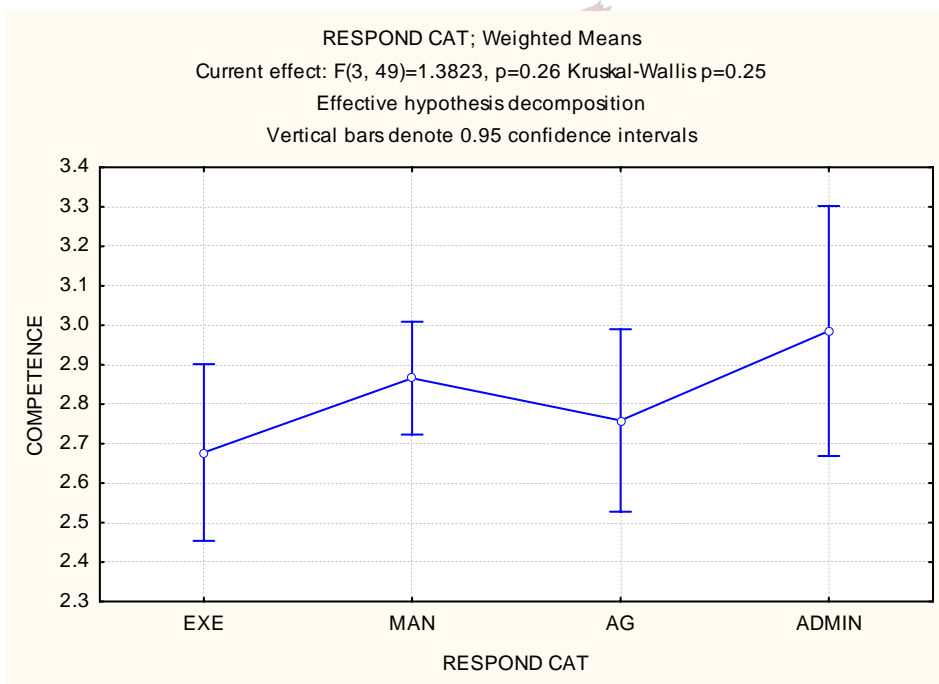Vertical bars denote 0.95 confidence intervals
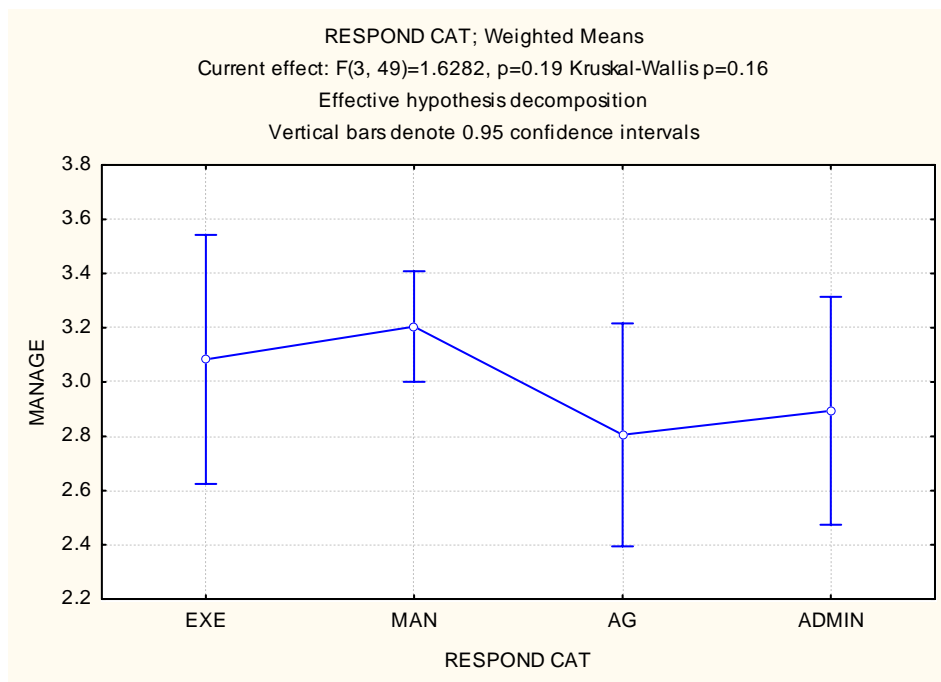
Figure 5.4.2: The role of management skills within the organisation, recorded in accordance with views expressed by different categories of employees

In figure 5.4.2 executives rate management skills within the organisation between 2.68 and 3.57 and 2.68 (difference with an average score of 3.08, which represents a large difference of opinion, but with a relatively high average rating. The managers do not differ much in opinion with responses between 2.96 and 3.44 and rate their management skills even higher with an average of 3.20.

Agents rate management skills to be at 2.80 and administrative staff rate these skills at a slightly higher level of 2.89, but there is quite a high level of disagreement amongst both these groups, who are of the opinion that all managers do not possess the required

technological skills to assist estate agents in the field. They do believe that managers are largely focussed on improving their regions, and are in favour of transformation through learning.

Executives or administration staff made no comments regarding this topic. Managers are of the opinion that change from a family business to a corporate company is inevitable, but that the 'family values are still being upheld' and that decision-making takes too long and the company is 'top-heavy'. A concern has also been expressed that existing managers are not considered when new positions become available. Confidence is expressed in senior residential managers; a large discrepancy in experience and skill when it comes to other managers is pointed out. Another manager felt that management training was receiving some attention, but that there was still a long way to go before all managers are adequately skilled.

Agents commented on the lack of support from managers in the field and that management needed to be 'more hands on'.

Summary of organisational leadership

RESPOND CAT; Weighted Means
Current effect: $F_{(3, 49)}=1.6146$, p=0.20 Kruskal-Wallis p=0.15
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

Figure 5.4.3 A summary of organisational leadership, recorded in accordance with views expressed by different categories of employees.

A relatively large difference of opinion exists within three groups, as depicted in figure 5.4.3, namely executives with scores ranging between 3.35 and 2.48 (difference of 0.87), agents with scores between 3.24 and 2.55 (difference of 0.69) and administrative staff scoring between 3.35 and 2.60 (difference of 0.75), but the averages scored by these three groups are very similar, being 2.89 for executives and 2.89 for agents and 2.97 for administrative staff. This is an indication that there is not a large difference in views in respect of the current style of leadership within the organisation, except amongst the leaders themselves.

Management heralds a more congruent view with opinions ranging between 3.44 and 3.01 (difference of 0.43), but with a much higher average than the other three groups, at 3.22, indicating that managers have a high regard for leadership in the organisation in general and support the style of leadership.

- **Organisational learning (figure 5.5)**

RESPOND CAT; Weighted Means
Current effect: $F_{(3, 49)}=.80072$, p=0.50 Kruskal-Wallis p=0.54
Effective hypothesis decomposition
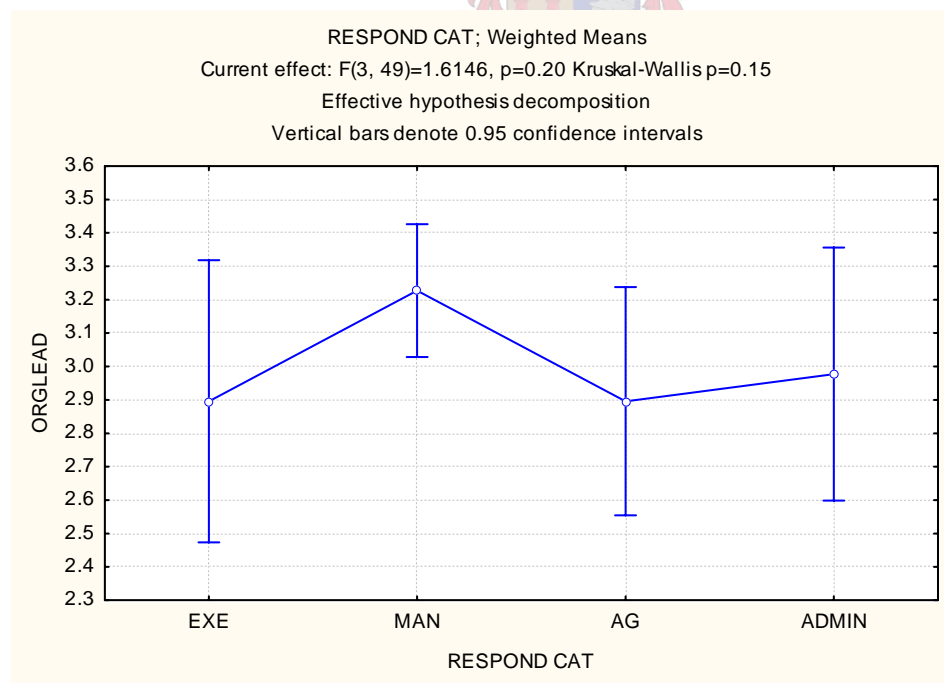Vertical bars denote 0.95 confidence intervals
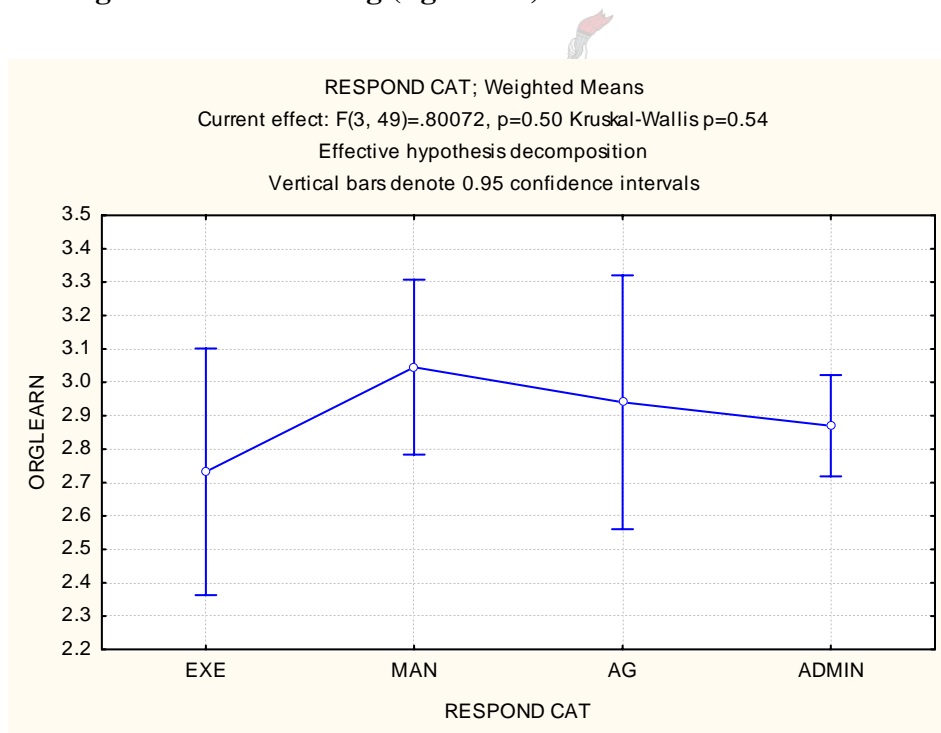
Figure 5.5: A summary of organisational learning within PGP, recorded in accordance with views expressed by different categories of employees.

This analysis of responses determines the stance of the different categories of PGP employees with respect to their views regarding organisational learning.

Response scores in figure 5.5 indicate that executives' opinions of organisational learning differ substantially ranging from 3.1 to 2.36 (difference of 0.74) and the same applies to agents whose views differ from a score of 3.31 to 2.55 (difference of 0.76), but that administrative staff have a largely similar view with respect to this topic.

The average scores also lie close to one another with the highest average of 3.04 recorded by managers and the lowest average of 2.73 recorded by executives indicating that on average the four groups are in agreement that PGP supports a learning culture that is key to superior performance and that innovation for improvement is an important part of the organisation's learning culture.

- **Total average responses (figure 5.6)**

RESPOND CAT; Weighted Means
Current effect: F(3, 49)=.71725, p=0.55 Kruskal-Wallis p=0.39
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals
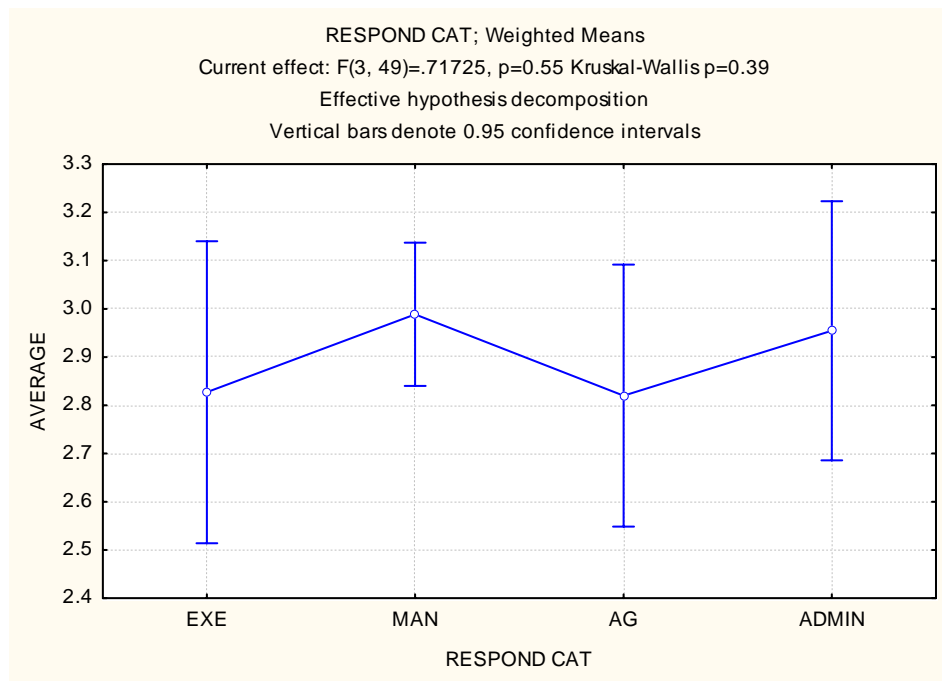
Figure 5.6: Average responses to the questionnaire by four different categories of PGP employees.

The graph in figure 5.6 depicts the average responses taking all the data supplied in the previous graphs into account and indicates the joint opinions of executives, managers, agents and administrative staff in respect of the total questionnaire.

With average scores of executives and agents at 2.82, managers at 2.98, and administration staff at 2.95 it is quite clear that there is an overall congruency with respect to opinions amongst these groups. The level at which these responses average out between 2.82 and 2.98

also indicates that these groups are of the opinion that the resources that were questioned received positive responses as a score of 2 indicated non-agreement and 3 indicated agreement.

In general executives herald a wider range of opinion in most categories tested than the other three groups, and managers were by far the group with the most similar overall views. This phenomenon is very clearly illustrated in figure 5.4.1 on page 89 where responses to leadership skills within the company were recorded. It is only when opinions were recorded regarding the state of the organisation's current systems and procedures, that company executives illustrated a similar and strong opinion as illustrated in figure 5.3.3 on page 87.

5.3.2.2 Analysis and interpretation of data according to responses received by different regions

REGION; Weighted Means
Current effect: $F_{(3, 49)}=2.7146$, p=0.05 Kruskal-Wallis p=0.07
Effective hypothesis decomposition
Vertical bars denote 0.95 confidence intervals

Figure 5.7: Average responses to the questionnaire by respondents operating in different regions.

The average scores received overall from Head Office staff, and employees operating in Gauteng, Western Cape and the Boland and Overberg regions as represented in figure 5.7, are analysed and interpreted.

The scores recorded by Head Office staff range from 2.58 to 3.03, indicates a difference in opinion of 0.45. Gauteng, with scores from 2.56 to 2.94 records a difference of 0.38 and Western Cape with scores ranging from 2.78 to 3.15 shows a difference of opinion of 0.37 which indicates relative congruent opinions in both these regions. The Boland and Overberg region records a large margin ranging from 2.88 to a high score of 3.35, which is also by far the highest overall score, and represents a difference of 0.47.
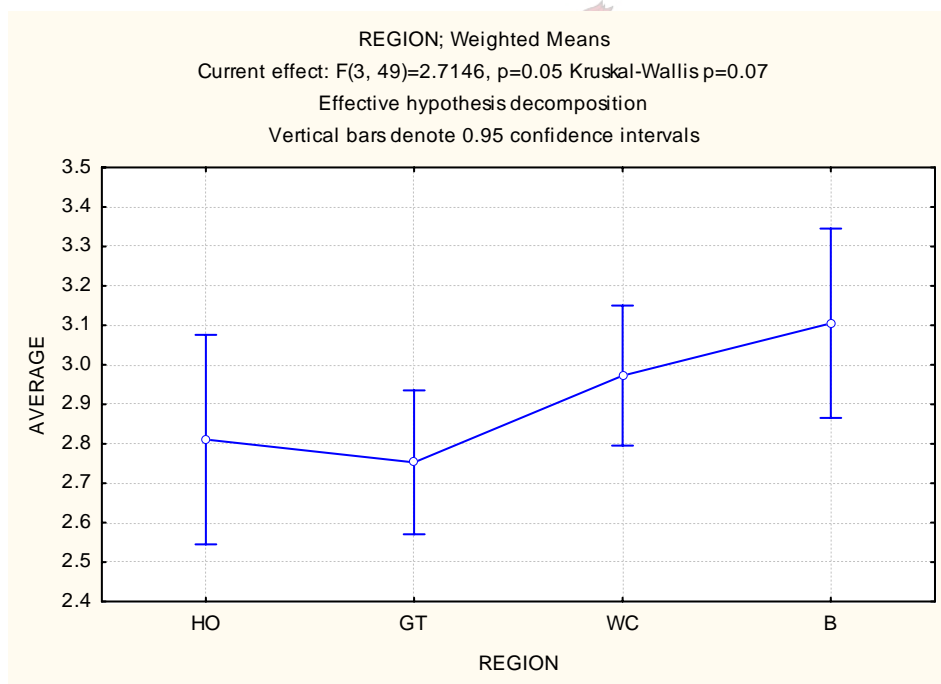
The average scores in descending order are: Boland and Overberg 3.10 with the most positive response rate; Western Cape 2.97; Head Office 2.81; and Gauteng with the lowest average score of 2.75.

5.3.2.3 Analysis and interpretation according to responses to questions

In appendix C responses received are rated in descending order, according to questions concerning validity (key), value, sustainability and transferability of intangible assets and competences. Responses recorded relating to organisational leadership are also rated in the same fashion, but with respect to leadership and management skills and organisational learning responses are rated in descending order.

Responses are also grouped in descending order in terms of a regional perspective in appendix D. All the responses are then rated in appendix E, as a single group in order to ascertain the overall importance, to the stakeholders, of the issues that are addressed in the questionnaire.

In appendix F, responses are rated in descending order, grouped according to validity (key), value, sustainability, being barriers to duplication, difficulty of substitution, durability as well as transferability to other sections of the organisation. As communication in the organisation was stressed by the interviewees during the interview phase of this research, this aspect was also questioned in the survey and is also reported as part of this report.

- **Key resources as identified by stakeholders in terms of resource type**

Those resources that have received an average score of 2.8 and higher (see appendix C) are selected and tabled to establish which resources are viewed by the respondents to be valid to the organisation and thus the most important contributors to competitive advantage. This selection has been made due to the fact that 60% of respondents responded in this category.

Table 5.7: Key resources grouped in descending average score order, according to resource type

RESOURCE TYPE	SCORES OF 2.8 AND ABOVE IN DESCENDING ORDER
Intangible assets	1. Culture cannot be duplicated by competitors 2. Culture cannot be substituted 3. The brand is key 4. The brand adds value for clients 5. Culture is key 6. Culture is durable 7. Low turnover of managers (durable) 8. Culture adds value for clients 9. Managers are recruited to add value to the organisation 10. Managers add value for clients 11. Agents add value 11. The brand cannot be substituted 13. Agents are key 14. Reputation cannot be duplicated by competitors 14. The brand cannot be duplicated by competitors 16. Reputation can be transferred to other PGP companies 17. The existing referral system contributes toward excellence 18. Reputation is key 19. Low agent turnover (durable) 20. Reputation adds value for clients 20. The brand is transferable to other PGP companies
Competences	1. Teamwork nurtures relationships & loyalty (durable) 2. Systems & procedures are key to success 3. Good relationships lead to loyalty (durable) 4. Good relationships amongst workforce add value for clients 5. Teamwork cannot be substituted 6. Good relationships are cultivated (key) 7. Current systems & procedures add value for the client 8. Teamwork is evident in the regions 9. Relationships dilute due to rapid growth (transferability)
Leadership	1. Strong leadership is key for competitive advantage 2. Leadership adds value for clients 3. Leadership is visionary 3. Managers are regionally focussed 3. Managers favour transformation through learning 6. Managers are key to superior performance 7. Leadership supports individual learning 8. Managers add value for the client 9. Managers are operationally skilled 10. Leadership embraces transformation from family to corporate
Organisational Learning	1. A learning culture is key to superior performance 2. Innovation for improvement is key 3. Individual improvement & growth is key 4. Managers oversee application of new knowledge 5. Individuals understand their goals

- **Key resources as identified per region**

The top ten resources are selected per region and tabled in table 5.8 to establish which resources are viewed to be the most important contributors to competitive advantage by the respondents, according to the regions in which they operate.

Table 5.8: Top ten key resources grouped according to regional responses

REGION	1	2	3	4	5
Head Office	Culture	Brand	Relationships	Leadership	Management
Gauteng	Culture	Brand	Teamwork	Systems	Leadership
W. Cape	Culture	Brand	Systems	Leadership	Teamwork
Boland	Culture	Brand	Leadership	Management	Learning

REGION	6	7	8	9	10
Head Office	Reputation	Agents	Systems	Teamwork	Learning
Gauteng	Management	Relationships	Agents	Learning	Reputation
W. Cape	Relationships	Management	Agents	Learning	Reputation
Boland	Teamwork	Relationships	Agents	Systems	Reputation

When viewing the top five resources it is evident that all four regions are in agreement to the company culture and the brand being the two most important resources within Pam Golding Properties. Leadership features in the top five of all the regions, whilst systems, teamwork and management each feature twice. Relationships are placed third by the head office, and learning ranks fifth in the Boland and Overberg region. The other three regions rank learning in the ninth or tenth position and whilst head office places reputation in sixth position, the other three regions places it tenth.

- **Top overall responses in descending average score order.**

Those resources that have received an average score of 2.8 and higher (see appendix E) are now selected and tabled to establish which resources are viewed to be valid and the most important to competitive advantage in the organisation. They are listed in overall descending order.

Table 5.9: Key resources grouped in overall descending order.

TOTAL RESPONSES	AVERAGE SCORES
1. Culture cannot be duplicated by competitors	3.72
2. Culture cannot be substituted	3.68
3. The brand is key	3.57
4. The brand adds value for clients	3.55
5. Culture is key	3.51
6. Culture is durable	3.43
7. Teamwork nurtures relationships & loyalty	3.42
7. Strong leadership is key for competitive advantage	3.42
9. Systems & procedures are key to success	3.34
10. Good relationships lead to loyalty	3.25
10. Leadership adds value for clients	3.25
12. Low turnover of managers	3.23
13. Culture adds value for clients	3.19
13. Good relationships amongst workforce add value for clients	3.19
13. Leadership is visionary	3.19
13. Managers are regionally focussed	3.19
13. Managers favour transformation through learning	3.19
18. Management is recruited to add value to the organisation	3.17
18. Teamwork cannot be substituted	3.17
18. A learning culture is key to superior performance	3.17
21. Managers add value	3.15
22. Agents add value	3.13
22. The brand cannot be substituted	3.13
22. Innovation for improvement is key	3.13
25. Managers are key to superior performance	3.11
26. Leadership supports individual learning	3.09
27. Good relationships are cultivated	3.08
28. Agents are key	3.02
28. Managers add value for clients	3.02
28. A learning culture is key to superior performance	3.02
31. Reputation cannot be duplicated by competitors	3.00
31. The brand cannot be duplicated by competitors	3.00
31. Managers are operationally skilled	3.00
34. Reputation can be transferred to other PGP companies	2.98
34. Current systems & procedures add value for the client	2.98
36. The existing referral system contributes toward excellence	2.94
36. Teamwork is evident in the regions	2.94
38. Reputation is key	2.92
39. Low agent turnover	2.89
40. Leadership embraces transformation from family to corporate	2.87
40. Managers oversee application of new knowledge	2.87
42. Individuals understand their goals	2.85
43. Reputation adds value for clients	2.83
43. The brand is transferable to other PGP companies	2.83
45. Relationships dilute due to rapid growth	2.81

- **Responses sorted according to their validity and characteristics of key resources.**

Those responses i.e. resources that have received an average score of 2.8 and higher (see appendix F) are selected according to their validity and characteristics of key resources to establish which resources are viewed to be those that contribute most to providing superior service and thus the competitive advantage of the organisation. They are listed in descending order with reference to

- validity – key to the organisation;
- adding value for clients;
- sustainability – barriers to duplication, advantages not easily substituted, durability; and
- transferability.

Table 5.10: Resources grouped in descending average score order, according to validity and characteristics of key resources

VALIDITY (Key)
1. The brand 2. Company culture 3. Leadership 4. Systems and procedures 5. Management is recruited to add value to the organisation 6. Management is key to superior performance 7. Good relationships must be cultivated within the company 8. Individuals must be empowered to improve and grow 9. Agents are recruited to add value to the organisation 10. Teamwork is key in the regions 11. Reputation

ADDS VALUE FOR THE CLIENT
1. The brand 2. Leadership 3. Good relationships amongst the workforce 4. Company culture of ethical and honest conduct 5. Learning culture 6. Managers assisting agents 7. Agents' manner in dealing with clients 8. Management in general 9. Systems and procedures 10. Referral system 11. Reputation

SUSTAINABILITY		
Barriers to duplication	**Advantages cannot easily be substituted**	**Durability**
1. Ethical culture 2. The brand 3. Reputation	1. Ethical culture 2. Teamwork 3. The brand	1. Culture 2. Teamwork nurtures loyalty 3. Good relationships 4. Low management turnover 5. Low agent turnover

TRANSFERABILITY
1. Strong reputation automatically effects new PGP companies 2. Leadership embraces transformational change from a family business to a corporate 3. The brand has successfully transferred to new divisions 4. Rapid growth & diversification leads to a dilution of loyalty

5.4 CONCLUSION

Relevant data was collected in order to ascertain which key organisational resources contribute to competitive advantage for superior performance within a service environment in a sustainable manner. The point of departure was maintained that organisational leadership and organisational learning underpin these resources.

Semi-structured interviews were conducted with long-standing members of the executive council of Pam Golding Properties and its chairman and founder, Mrs Pam Golding in order to identify resources that had contributed to the organisation's competitive advantage in the past. These resources were grouped and tabled according to their type, being intangible assets and competences (see table 5.1 on page 62 and table 5.2 on page 63). The role of leadership in the organisation as well as organisational learning and the contribution that these fundamental aspects make to superior performance within the company were also investigated during the semi-structured interviews and tabled (see table 5.3 on page 63 and table 5.4 on page 64).

During the semi-structured interviews, it became apparent that certain resources that had in the opinion of these executives, contributed to the company's competitive advantage in the past, had been eroded and that the performance of the organisation was deteriorating due to these factors and had to be reconsidered (see table 5.5 on page 65).
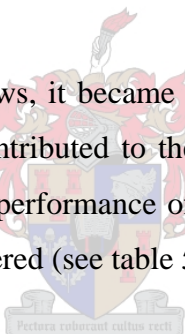
The intangible assets and competences that had been identified were then assessed for credibility, value, sustainability and transferability by means of questionnaires that were put to stakeholders within the particular service environment. Leadership and management skills, as well as the extent to which organisational learning plays a role, were also assessed.

Company executives, managers, estate agents and administrative staff members represented the stakeholders. The differences in their views were reflected in order to gain insight into the opinions of different stakeholders in comparison with one another, as the differences in each group's working environment, contribute to different perspectives of competitive advantage. For the same reason, the respondents' views were also recorded with reference to the regions in which they operate, being the head office in Cape Town, Gauteng, Western Cape and the Boland and Overberg regions.

The data was also analysed and interpreted according to the respondents' direct responses to questions by tabling those intangible assets and competences that were viewed by the stakeholders that responded to the questionnaire to be valid, add value, be sustainable and transferable as per the model of sustainable advantage in figure 3.2 on page 39. The role of leadership and organisational learning was also analysed and interpreted.

The analysis and interpretation of this data, provided the researcher with an indication of which resources need to be developed, protected and deployed in future. In this way leadership's strategic choices can be guided by actual outcomes, to ensure sustainability of competitive advantage.

A documentation and synthesis of how these findings relate to the theory and literature as discussed in previous chapters is undertaken in the next chapter, thus providing connections between findings in the case study and the reviewed literature. Recommendations are also made regarding the possible implementation of findings.
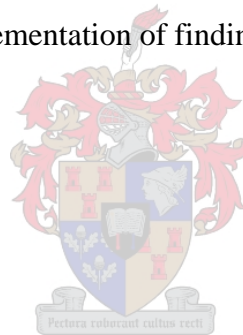
CHAPTER 6

SYNTHESIS, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The ultimate goal of this research was to determine what makes up sustainable competitive advantage within a service environment and consequently to ascertain which resources within Pam Golding Properties, as a case study organisation, have contributed to the company's success to date in order to ensure the further development and protection of these resources. The role of organisational leadership, including executive leadership and management on all levels, as well as the consequential need for change and renewal through organisational learning, form an integral part of this research goal.

In order to reach a conclusive result, sustainable competitive advantage in a service organisation was defined and existing resources within Pam Golding Properties that can be categorised as strategic assets were established and assessed for future utility. The role that organisational leaders play in the context of a resource-based perspective and the importance of organisational learning as a possible strategic resource in a service organisation were also determined.
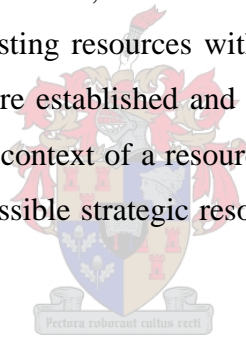
The results that have been described fully in the previous chapter were obtained after:

- a thorough study was made of the relevant literature;
- a definition of 'competitive advantage within a service organisation' was concluded from a resource-based perspective;
- historical and current resources and competences within Pam Golding Properties were identified by means of semi-structured interviews with a range of company executives;
- resources and competences were discussed with regard to factors that contribute to the deterioration of competitive advantage as seen and experienced by the above-mentioned executives;
- resources and competences were assessed by means of questionnaires in order to establish to what extent they add value for the client, are sustainable and transferable. These questionnaires were presented to a wide range of stake-holders within the organisation (executives, managers, estate agents and administrative staff from the

head office in Cape Town, and the Gauteng, Western Cape and Boland and Overberg regions);

- the role that organisational leaders play from a resource-based perspective were established; and

- the importance of organisational learning with regard to the maintenance of competitive advantage was determined.

The above methodology can be utilised to establish the level of competitive advantage that exists within any service organisation.

6.2 A SYNTHESIS OF RESEARCH FINDINGS

Connections need to be made with regard to the reviewed literature, the model of sustainable competitive advantage that evolved from the literature and the actual research findings. The research as a whole, will then bring the information to the fore that can be utilised in the identification, development, protection and deployment of key resources in order to maintain a sustainable competitive advantage. This in turn will ensure superior performance levels by the organisation in the market in which it operates including sales performance and financial performance.
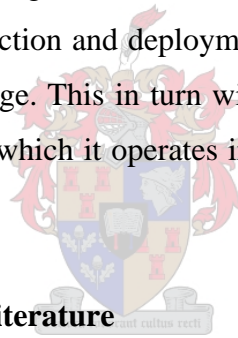
6.2.1 Synthesis of the reviewed literature

The concept of competitive advantage is defined to be '…the asymmetry or differential in any firm attribute or factor that allows one firm to better serve the customers than others and hence create better customer value and achieve superior performance' (Ma, 1999:259). It can therefore be concluded that competitive advantage is made up of the differentiating factors that allow an organisation to create or enable value for its clients that is deemed to be superior to the service provided by its competitors.

Within a service organisation, these factors that enable value for the client, include skill and knowledge, organisational culture, brand identity, competences like good relationships, teamwork and the effective use of information technology, organisational learning and effective leadership and management of business processes. These differentiating factors are the key resources within the organisation (Kaplan and Norton 2004), and need to be leveraged to create sustainable competitive advantage and aligned to organisational strategy in a balanced manner.

Differentiating factors or key resources are those that make up the core of competitive advantage, thus creating value for the client (Fahy 2000). Sustainability of competitive advantage hinges on barriers to duplication so that they are difficult or impossible to imitate, the fact that advantages cannot be substituted and that they are durable.

According to Mills, Platt and Boone (2003) the differentiating factors should also maintain the characteristic of transferability, so that they can easily transfer to other or new divisions within the organisation (see block 4 of figure 6.1).

These differentiating factors need to be gleaned from the past successes that an organisation has obtained, so that they can be preserved and adapted to the changing environment (Mills, Platt and Boone 2003; Chaharbaghi & Lynch 1999;).

Fahy's resource-based model of sustainable competitive advantage that is illustrated in Figure 2.2 on page 18 emphasises that it is imperative that an organisation's leadership bases its strategic choices, in order to gain and maintain a sustainable competitive advantage, on the identification of key resources, the development and protection of key resources and the eventual deployment of these (see block 3 of Figure 6.1). Once these resources have been formulated, it may become necessary to transform certain aspects of the service organisation in order to obtain sustainable competitive advantage.

In a changing environment, organisational leadership is required to be transformational by nature. Kotter (1996) has noted that transformation 'is never employed effectively unless it is driven by high-quality leadership, not just excellent management…' (Kotter, 1996:20) Leadership needs to give direction, get its people to understand and accept the organisation's vision and strategy and inspire them to produce change. Transformational leadership can therefore improve an organisation's position with regard to competitive advantage. Hurley (2002) contends that inspiring vision and the building of trust should be promoted by an organisation's culture and that this requires risk and an empowered leadership.

Once sustainable competitive advantage has been obtained (see block 2 of Figure 6.1), it translates into superior performance and a leading position in the market in which the

organisation operates, as well as simultaneous superior sales and financial performance (see block 1 of Figure 6.1).

By reviewing relevant literature in Chapter 2 of this study, a model was created of sustainable competitive advantage that can be utilised in service organisations that need to transform due to a need to continuously improve.

Continuous improvement presupposes organisational learning within the broader understanding of sustainable competitive advantage and itself is viewed as a strategic resource that underpins superior performance (Smith, Vasudevan and Tanniru, 1996). As competitive advantage is something that takes place over time, there should be more emphasis on the process. Organisational learning is the process whereby competitive advantage is created.

Wang and Hing Po (2002) support an integration of different levels of competitive advantage and contend that these levels need to be combined to enable a balance between long and short-term competitive advantage. Each level is viewed to be of equal importance and an interactive relationship should exist to sustain competitive advantage.

In order to synthesise the process of sustainable competitive advantage, a model was created in accordance with the principles that were gleaned from the literature.

6.2.2 The model of sustainable competitive advantage

In accordance with the resource-based perspective of sustainable competitive advantage within a service environment as has been concluded from the literature, a model has been adapted that formed the basis for the research that was undertaken. This model is represented in Figure 3.2 on page 39 and is reproduced here for ease of reference.
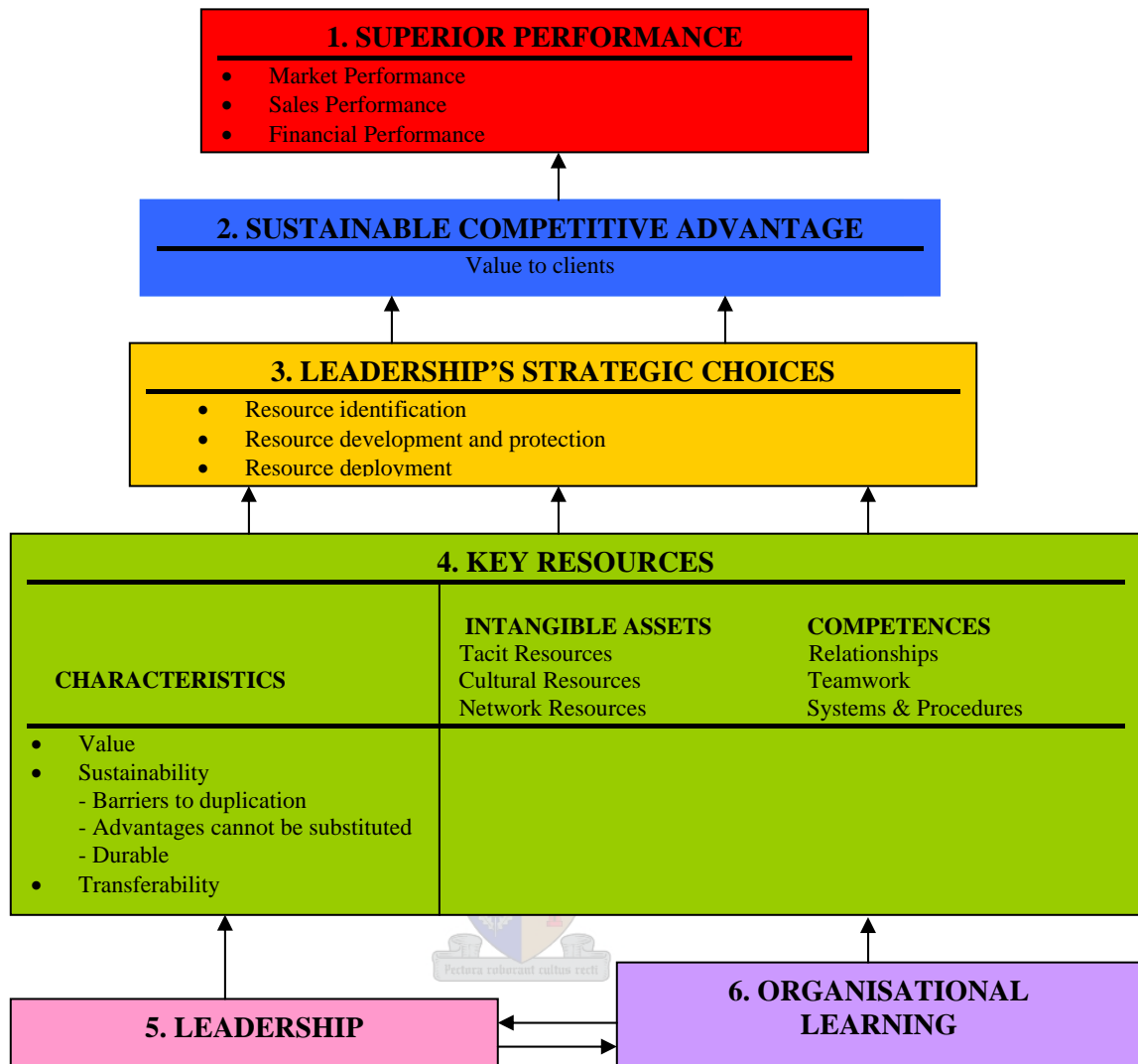
Figure 6.1: The adapted model of sustainable competitive advantage

The above model in Figure 6.1 provided the basis for fieldwork undertaken during the research as well as a means of identification to establish which resources are of meaning to a corporate service environment. To provide the organisation with information that is grounded in the literature, it was necessary to create this model as a visual map that gave rise to the selection of research methods that were followed.

The influence that transformational organisational leadership has in terms of key resources; as well as the role of organisational learning towards the maintenance and future utilisation of key resources were researched. An interdependent relationship between these two underlying aspects was also established.

The following is an explanation of how the model relates to a service organisation and the manner in which it is utilised to contribute to reaching such an organisation's ultimate goal:

- Block 1: The organisation's ultimate pursuit is superior performance (Kasper 2002; Fahy 2000).

- Block 2: This goal can be obtained by means of gaining sustainable competitive advantage that creates value for clients (Wang & Hing Po 2002; Megginson & Pedler 2001; Fahy 2000; Ma 1999; Mazzarol & Soutar 1999).

- Block 3: Leadership's strategic choices with regard to resource identification, development and protection as well as deployment thereof need to be guided (Fahy 2000).

- Block 4: Therefore, it is necessary to ascertain which resources can be classified as key resources. Intangible assets of the organisation, being tacit, cultural and network resources as well as competences within the organisation, being relationships, teamwork and systems and procedure application are assessed in accordance with the characteristics that pertain to key resources, namely value, sustainability and transferability. (Kaplan & Norton 2004; Mills, Platt & Boone 2003; Fahy 2000; Mazzarol & Soutar 1999; Chaharbaghi & Lynch 1999;)

- Block 5: Organisational leadership underpins the whole process (Kaplan & Norton 2004; Robson & Prabhu 2001; Fahy 2000; Eisenbach, Watson & Pillai 1999; Senge et al 1999; Hitt 1998; Gronn 1997; Kotter 1996).

- Block 6: An organisational learning culture is essential to ensure that innovative and meaningful change takes place continuously to ensure that competitive advantage is dynamic and relevant in the future (Gronn 1997; Smith, Vasudevan & Tanniru 1996; Lindley & Wheeler; Swieringa & Wierdsma 1992; Wang & Ahmed; Pedler, Burgoyne & Boydell 1991).

Information regarding resources that have contributed to Pam Golding Properties' success in the past was obtained by means of semi-structured interviews with senior executives in the organisation. In order to determine which of these resources are valid according to the wider range of stakeholders within Pam Golding Properties and which are deemed to be key to the organisation, these resources were subsequently assessed accordingly.

6.2.3 Synthesis of research findings

The definition that has been concluded from the literature expresses sustainable competitive advantage to consist of a balanced interaction between the differentiating factors that allow an organisation to enable value for its clients that is deemed to be superior to the service provided by its competitors (Ma 1999; Kaplan & Norton 2004; Fahy 2000; Wang & Hing Po 2002).

Initially, semi-structured interviews were utilised in order to gather data relating to historic and current resources within Pam Golding Properties from senior executives within the organisation. The intention was to collect information regarding resources relevant to competitive advantage in the company and to establish what this group perceived 'competitive advantage' to be (see appendix A). This exercise, however evolved and became a much more valuable one than mere data collection.

Frank one-on-one discussions provided valuable insights to where the company had been positioned in the marketplace historically (a time span of five to ten years was set) and at present. Changes that had taken place over time and the reasons for change and motivations for change were discussed. Topics ranged from intangible assets and competences to leadership and learning and where and how these resources contribute to competitive advantage in the organisation. Factors that contribute to the deterioration of Pam Golding Properties' competitive advantage were also documented and are put into perspective when recommendations are made in 6. 4, below. Feed-back in terms of organisational resources that was gathered in this manner, was then divided into four groups and utilised to create a questionnaire (see appendix B).

Figure 6.1 on page 107, depicts the grouping of questions and places the structure of the questionnaire into perspective with reference to Figure 5.1 on page 61 which illustrates the presentation of interview data.

Figure 6.2 Question groups in questionnaire

Validity and sustainability of resources were tested in the survey as well as the respondents' views on management and leadership skills in the organisation as well as organisational learning. Table 5.7 on page 96 represents the views of all the respondents with regard to key resources and have been structured in accordance with Figure 6.1, on page 107.

6.2.3.1 Intangible assets (tacit, cultural and network resources)

Of the intangible assets, the organisational culture that cannot be duplicated by competitors and is not easily substituted were seen to be the most valuable resources that PGP has as well as it being viewed as a key resource and durable. The existing culture, which has honesty and ethical conduct as its core values, is key to sustainable competitive advantage. The brand is also viewed as a key feature that adds value for the client. After the culture and brand, the people within the organisation, especially the managers, are held in high esteem and seen as adding value for clients along with the agents. Knowledge, skills and experience all contribute.

6.2.3.2 Competences (relationships, teamwork and systems and procedures)

Teamwork and good relationships are viewed to be the largest contributing competences as key resources. Teamwork nurtures relationships and loyalty and therefore plays an important role in the durability of key resources. Systems and procedures are seen to be key to

competitive advantage and relate to the effective utilisation of information technology, data collection and knowledge management within the organisation.

6.2.3.3 Leadership

Strong and visionary leadership is seen to be key and adding value for PGP clients. Managers are viewed to be key, regionally focussed and in favour of transformation through learning.

6.2.3.4 Organisational learning

A strong view exists that a learning culture is key to superior performance and that innovation is imperative for the ongoing improvement of the organisation. Individuals within the organisation need to improve and grow in order for the organisation to improve.

6.2.3.5 Key resources from a regional perspective

Table 5.8 on page 97 lists the top ten key resources according to regional responses and illustrates without a doubt that the company culture and the Pam Golding brand are experienced as the top assets that PGP possesses. The head office, and the three major regions in which the residential company operates in South Africa are all in agreement on this. If the head offices responses are ranked from one to ten, the corresponding ratings by the three geographical regions can be summarised as follows:
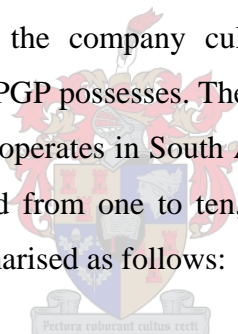
Table 6.1 Ranking of key resources per region

KEY RESOURCES	REGIONS			
	Head Office	Gauteng	Western Cape	Boland
Culture	1	1	1	1
Brand	2	2	2	2
Relationships	3	7	6	7
Leadership	4	5	4	3
Management	5	6	7	4
Reputation	6	10	10	10
Agents	7	8	8	8
Systems	8	4	3	9
Teamwork	9	3	5	6
Learning	10	9	9	5

Responses that rank equally and are placed first in the geographical regions are culture and brand. Reputation and agents are each ranked on a similar scale by Gauteng, Western Cape and Boland. Relationships (Gauteng and Boland), leadership (head office and Western Cape) and learning (Gauteng and Western Cape) are each ranked similarly by two regions. The geographical regions do not rank relationships as highly as head office employees and the same applies to reputation. Variances occur in respect of management in the Boland area where it is ranked higher than in the other two regions. Systems are ranked much lower in the Boland region than in Gauteng and the Western Cape, but very similarly to the head office. Teamwork is ranked higher in Gauteng than in the other two geographical regions who all rank it much higher than the head office. Learning is ranked higher by the Boland region than the other two and head office.

6.2.3.6 Overall key resources

Table 5.9 on page 98 represents the overall findings relating to the survey, and clearly indicate that the organisational culture within Pam Golding Properties is the number one differentiating factor that is also the most sustainable that the company possesses. The brand is also deemed to be a key resource and adds the most value for clients. Teamwork that creates employee loyalty adds to sustainability and a strong market position that can be attributed to strong leadership and the effective utilisation of systems and procedures as well as good relationships within the company all add value and contribute towards competitive advantage. A learning culture that promotes and stands for service delivery is paramount and leadership that provides vision, a low turnover of good managers that add value, are regionally focussed and favour transformation through learning all contribute to superior performance.

6.2.3.7 Top organisational resources in terms of embedded characteristics

Resources are categorised as being 'key' if they are valid, add value for the client, and are sustainable and transferable. According to the findings as reported in table 5.10 on page 100 the following resources within Pam Golding Properties can be classified as the top five resources in terms of validity, adding the most value, sustainability and transferability:

- **Validity**

Marketing of the PGP brand, nurturing of the core values that form the foundation of PGP's corporate culture and a strong executive leadership component are the top resources that have been prioritised according to validity. Thereafter, the effective utilisation of information

technology, data collection and knowledge management as well as the recruitment of good managers that add value to the organisation are prioritised as number four and five.

- **Value**

Prominence of the PGP brand, strong organisational leadership and good relationships amongst the PGP workforce are the top three resources that add value for clients. These are followed by the fact that ethical and honest conduct by the agents is more valued by clients than actual service delivery and the strong learning culture within PGP that supports superior performance.

- **Sustainability**

Those resources that cannot be easily duplicated are a culture of ethical and honest conduct, the PGP brand and the organisation's reputation. Those that offer advantages that are difficult to substitute are agents who are ethical in their dealings with clients, teamwork and the PGP brand. The top durable resources are an existing culture that must not change, teamwork that builds relationships and nurtures loyalty amongst employees and good relationships that lead to loyalty and prevent employees from leaving the company.

- **Transferability**

Resources that can transfer with ease to new PGP branches or companies are the organisation's existing reputation, the organisation's current leadership that embraces change from a family business to a corporate organisation and the PGP brand that is established and does not need to be constantly reinforced in the mind of the public.

6.3 CONCLUSIONS

In formulating the research problem in the first chapter of this study, the opinion was expressed that if organisational performance was to be improved, renewed specialised knowledge is required and that the constant acquisition of up to date skills and a dynamic learning culture was imperative. Clarity needed to be sought regarding sustainable competitive advantage with reference to resources, leadership and the creation of a learning environment within the organisation.

The following research questions were then formulated:
- How can sustainable competitive advantage in a service organisation be defined?
- Which existing resources within Pam Golding can be categorised as strategic assets/key resources?

- What role should organisational leaders play to ensure sustainable competitive advantage from a resource point of view?

- To what extent, if at all, is organisational learning a strategic asset in a service organisation?

- Which of the key resources need to be developed and protected for future utilisation?

Using these questions as a guide, conclusions have been reached based on feedback received from participants of semi-structured interviews with company executives and a survey conducted amongst company stakeholders. These conclusions are documented and recommendations are made accordingly in the rest of this chapter.

6.3.1 Sustainable competitive advantage in a service organisation, defined.

Sustainable competitive advantage can be defined as those benefits that are achieved by possession of differentiating factors that enable value for the client and yield continuous superior service.

6.3.2 Key resources within Pam Golding Properties

The following existing resources make up the essence of PGP and have been found to be those that are key to the organisation and are listed below in overall order of importance as concluded from the gathered data:

- *Organisational culture*, which includes sincerity, integrity, honesty, professionalism and an ethic of service delivery, is viewed as the most valuable contributor toward sustainable competitive advantage. The culture aligns family values to the organisation's values and beliefs and guides the employees' behavioural principles.

- *The PGP brand* that is well established, but nonetheless needs to be marketed constantly, is also viewed to be paramount in a competitive environment. The brand is seen to support the organisation's reputation and is the one resource that acts as a 'door-opener' in the marketplace.

- The organisation's *reputation* in general, which is purported to be impeccable, respected, trustworthy, and representative of family values is key in a service environment. Practices that are not in keeping with the culture can damage the brand, or high levels of service delivery that strengthens its promise to the client can enhance the brand.

- *Teamwork* across the board is of utmost importance as staff loyalty is entrenched and the client ultimately gains from a good team. A telling result that was obtained when

comparing the rankings of key resources per geographical region and the subsequent comparison to the rankings by head office in table 6.1 on page 111, was that teamwork received a ninth place ranking by head office, but much higher rankings by the regions themselves. This can be an indication that the regions realise the importance of teamwork, but that due to the organisational leadership's view, it is not implemented.

- Good *relationships* amongst the workforce that nurtures loyalty to the organisation is imperative as the people are a differentiating factor in a service environment. Interpersonal relationships also contribute to the organisation's culture as sharing of information and trust amongst employees contributes to their behaviour and values.

- The effective utilisation of efficient *systems and procedures* that include information technology, the collection of information and knowledge management is of utmost importance to ensure sustainability. The appointment of competent administrative staff plays an important role. In table 6.1 the head office and Boland ranked systems and procedures as eight and nine respectively, and this can indicate that they have lost faith in the present systems and do not view them as being of value to the organisation or its clients.

- Recruitment, appointment and a high retention rate of competent and experienced *managers* add value for the client through the managers' direct input via the agents on a daily basis. They also contribute to an overall learning culture, by themselves leading by example by means of constant self-improvement and by empowering their agents and other staff to improve and learn continuously.

- Recruitment, appointment and a high retention rate of competent and skilled *agents* that possess determination and a confident attitude are paramount. Agents need to value honesty and integrity and must be driven to self-improvement as it is only by improving oneself in terms of knowledge and skills, that service can improve.

- Strong and visionary *organisational leadership* that embraces change and shows courageous conduct, but respects the organisation's core values is in itself a key resource of the organisation. Leadership invokes confidence at grassroots levels and therefore forms a vital conduit for superior performance in the marketplace where sales take place that result in exceptional performance.

- *Organisational learning* that underpins continuous improvement and transformation by means of an embedded learning culture that supports individual learning and thus growth within the organisation. A culture of organisational learning supports the foundation for superior performance and needs to cultivate an atmosphere of innovation that creates a

dynamic environment with a yearning for success, but not at all costs. The organisation's core values should never be compromised. In table 6.1 learning is ranked tenth by the PGP head office employees, ninth by both Gauteng and the Western Cape and fifth by the Boland region. The fact that it received such low rankings in all areas excluding the Boland, should be viewed with concern. The fact is that the culture, the brand and all the other key resources are not sustainable without a serious commitment toward becoming a learning organisation.

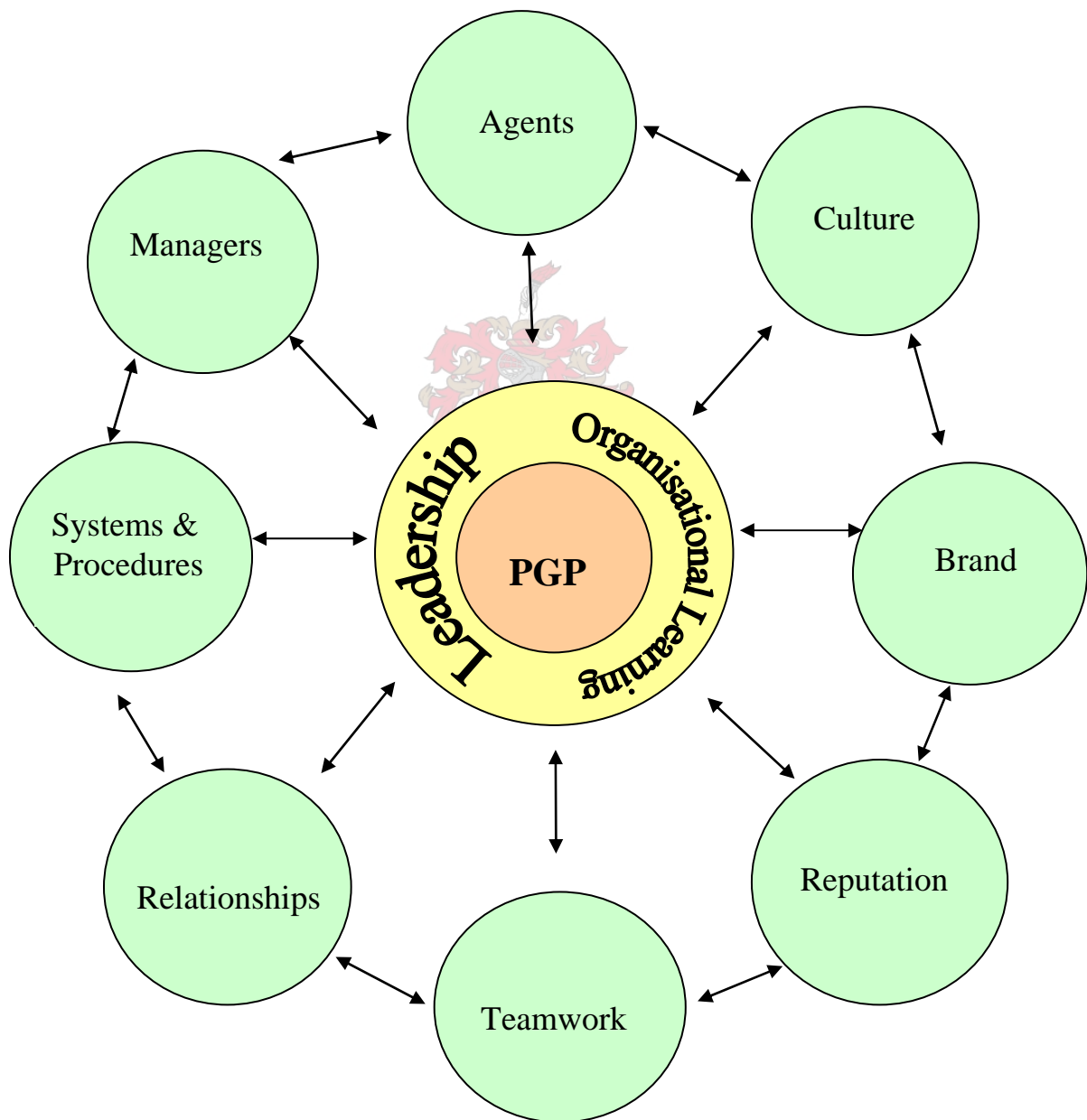The essence of Pam Golding Properties can thus be represented as follows:

Figure 6.3   A representation of key resources within Pam Golding

The above figure shows how leadership and organisational learning form the core of the organisation, but at the same time it also illustrates the interdependence with the other equally important key resources that have been identified.

6.3.3 The development and protection of key resources

Leadership and organisational learning stand central in the establishment of sustainable competitive advantage that leads to superior performance. In order to nurture sustainable competitive advantage, a conscious decision needs to be made by the organisation's leaders to develop and protect the identified key resources from being eroded or diluted from without or within. They are equally important and need to be in balance and integrated to form an interactive whole. Development is a by-product of learning and therefore they need to establish where development and protection is required to achieve this goal and take action. Some recommendations are made in the following section.

6.4 RECOMMENDATIONS

Continuous and on-going superior performance is what Pam Golding Properties strives for. As a service organisation, the provision of superior service is not negotiable and therefore the key resources that have been identified need to be examined and developed in order to sustain market, sales and financial performance that is superior to that of PGP's competitors. Because leadership and organisational learning not only form the core of the organisation, but are also the basis on which superior performance ultimately rests, these organisational fundamentals are also examined.

6.4.1 Organisational culture

The family values that are in alignment with the organisational culture need to be nurtured and developed. The core values of integrity, honesty, sincerity and service delivery within PGP is deeply inculcated in its soul. Change is however, constantly taking place in the environment in which the organisation operates and according to Senge (1990) change becomes an on-going learning process that sustains itself. A changing environment brings uncertainty and uncertainty can easily lead to behavioural change that is contrary to the culture, which in turn can lead to the culture being destroyed from within. People must adapt to change knowingly and constantly nurture change within themselves and thus the organisation. This process needs to be focussed by a shared vision.

The core values of the organisation and the reason for its existence make up its vision. An envisioned future however needs to make provision for change. Change is inevitable to enable an organisation to adapt and to achieve sustainable competitive advantage. Change and continuous improvement must therefore be embodied in and embraced by a dynamic envisioned future for the organisation.

According to Wang and Ahmed (2003), continuous improvement is necessary for innovation to be achieved. They believe that reliance on traditional competence will not support sustainable competitive advantage. Problem solving and information processing may lead to improvement, but they contend that in order to succeed in new business environments, organisations need to take a more revolutionary stance in order to make significant breakthroughs, and this requires fundamental change. They suggest an additional focus on creativity and innovation, which would include features like unlearning, knowledge creation, creative thinking, competence orientation and sustainability.

Adaptation to a changing business environment requires radical changes within the organisation, but the core values of PGP should not be sacrificed for the sake of change that is not part of an envisioned and planned future.

6.4.2 The PGP brand and reputation

A well-established brand is an important attribute but it needs to be reinforced in the minds of the public on a constant basis. Due to an ever-changing competitive landscape organisational branding is becoming increasingly vital, so as not to be overshadowed or overtaken by other new brands entering the marketplace. New brands have the advantage of being fresh and exciting and making an impact due to their 'newness'. They can also use the established brands to leverage off and strive to 'be better'.

Due to the established nature of the Pam Golding brand, the employees and the public have an extremely high regard for the brand. This brings about its own set of problems though, because agents rely on the brand to a large extent for business to 'come their way' and the public expects superior service from the brand, which is not always delivered and when expectations are not met, reputations are tarnished and the brand loses credibility. The company should lead its employees to understand and aspire to the expectations and values that the brand represents so that they can be translated into grassroots level behaviour.

As the brand portrays the organisational culture and thus the core values, it needs to be part of the envisioned future as discussed above with regard to a dynamic vision. Values filter down to the employees, but dilutes fast if they are not part of a communicated and shared vision.

A service organisation's reputation is closely linked to its brand. If the core values are not upheld or are compromised, the individual who is responsible can tarnish his/her own reputation and simultaneously that of the organisation and the brand.

It is therefore recommended that company leaders communicate a shared future vision with their employees as well as a return to the emphasis of the organisation's core values and its reason for existence.

6.4.3 Teamwork and good relationships

The principles of teamwork and good relationships are highly regarded within PGP. All are in agreement to their importance and the positive aspects that are generated for individuals in the organisation, the organisation itself and its clients. The fact that effective teamwork underlies employee loyalty is emphasised within the company and loyalty is equated to retention of staff.
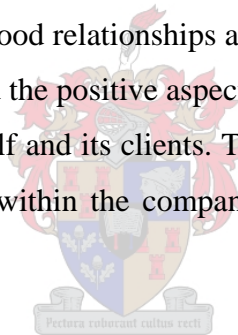
Loyalty is in fact more than the low turnover of managers and agents. It is about gaining dedication and this can be accomplished by inculcating a common direction by which employees contribute to the organisation's vision and thus live its values. This requires continuous communication from the top down and vice versa and an awareness and willingness to partake in the team's efforts.

The actual execution of teamwork in PGP is however limited. Fragmentation exists on many levels within the organisation and the view is held that inter-regional teamwork is non-existent and that there is little, if any, synergy between divisions. Each region however prescribes to a high level of teamwork within the region. Teamwork therefore exists within silos, but not across segments.

The fact that the organisation has recently gone through a growth phase and regions that each builds its own 'empires,' contribute to a lack in teamwork. Each region is totally focussed on

its own improvement without regard for the other regions. An inward focus of this nature has yielded local and short-term results, but the organisation and the clients in general will eventually be compromised by this attitude, as it cannot contribute to service improvement. The full team complement of PGP and its whole client base needs to be the primary concern of the organisation as a whole and the improvement of teamwork throughout the organisation should receive attention and specifically focussed on and rewarded by organisational leaders.

Relationships have also deteriorated due to the rapid growth that has taken place and this causes a dilution of the spirit and teamwork in general. Growth brings about change that needs to be managed and communicated as part of a dynamic envisioned future with common goals and direction to prevent a dilution of relationships.

Teamwork can be utilised as a valuable tool in transformation as it can be leveraged to assist with change. Commitment levels can be improved so that a more service-oriented culture is created and the organisation can function in a more adaptable and flexible manner when teamwork is encouraged. Cross-functional and inter-regional teams can promote change on an immediate and all-encompassing scale and therefore teamwork has to be targeted, encouraged and rewarded on all fronts by the company's leadership.

6.4.4 Systems and procedures
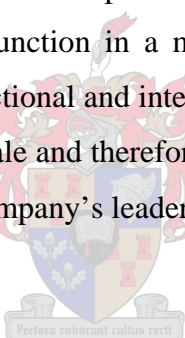
For any organisation to function at peak performance levels, efficient and up to date information technology, data collection and knowledge management systems need to be in place and effectively utilised by all members of the organisation. The appointment of competent administration staff is also vital and integration of these components has to take place.

The organisation must not outgrow its systems, as smooth and professional operation is required for peak performance levels to be maintained. It is imperative that the development of the infrastructure of the organisation keeps up with its growth and that an understanding of what is necessary to maintain professional operating systems exists at all times. It is therefore recommended that the current support systems within the organisation be taken into review and examined carefully to ascertain whether they still make a worthwhile contribution or are in the process of becoming either insufficient or even obsolete.

In PGP the referral system is a major source of business generation and encompasses all three of the above. Technology needs to be in place that is relevant to the needs of the organisation and its employees and capable of efficiently handling referrals on an international, national and local level, data collection must be accurate and relevant and the knowledge that is generated needs to be managed. The system needs to be utilised by a trained staff complement so that their exact needs can be met and the system can function to the benefit of PGP clients.

It is therefore recommended that the current referral system be examined in depth and improved in order to facilitate data management on all levels. A system also needs to be put into place whereby tacit knowledge of individuals and teams can be brought out into the open and managed to benefit the whole organisation.

6.4.5 Managers and agents

Recruitment, appointment and retention of the kind of competent people that subscribe to the PGP culture are as essential as creating the culture and maintaining the brand.

Valued characteristics for managers and agents to have are determination, passion, integrity and confidence. A lack of urgency exists in some regions and the need to become more driven to succeed and to provide superior service is lacking.
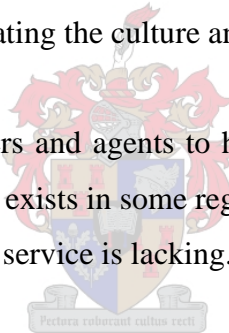
Managers need to be experienced in managing people and also require a good measure of talent, skill and knowledge with regard to the intricacies of the property market. Experience and talent will place a manager in the position to acquire specific management skills and knowledge. Managers need to be skilled operationally and be accountable for and to the people that they manage. It is therefore recommended that they support and assist their agents out in the field more often and not be office-bound managers.

Agents require skill foremost and then talent, experience and knowledge. Skill and talent will place a new agent in the position to gain experience and knowledge.

The retention of good employees will have to be addressed by PGP's leadership as well as the management of tacit knowledge that is available in abundance within the organisation. It is recommended that specific strategies need to be devised, for example profit sharing, company

shareholding or other benefits that are not normally part of an estate agent's remuneration, namely retirement benefits.

People are appointed for their good characteristics, sound knowledge and skill. They then contribute to PGP's success and gain much new knowledge during their association with the organisation, but when they leave all their experience and tacit knowledge is lost. They may even use it to compete with PGP. This experience and tacit knowledge needs to be identified and captured as valuable intellectual capital that must be made available to the organisation in the form of sound knowledge management. This recommendation therefore links to the improvement of systems and procedures as discussed above.

6.4.6 Organisational leadership

Confidence levels are high with respect to leadership within PGP. Leadership is seen to be strong and the reason behind past success in the organisation.

Leaders provide an organisation with its vision, but the vision needs to be inculcated in the daily activities of the people in the organisation. For this to happen, a common vision needs to be communicated to the people for a general awareness to exist in the company. Within Pam Golding Properties there is an awareness of growth that is taking place rapidly as new companies, divisions and branches are launched. This has brought about uncertainty because the vision has not been communicated to them, resulting in a perception that the organisation is growing for the sake of growth and not necessarily due to the needs of the market that makes up PGP's core business and its reason for existence. Change needs to be managed in order for it to add value for the employees and ultimately for its clients.

Organisational leaders have a responsibility towards the organisation's employees to manage change in a manner that the core ideology, which supplies the organisation with its enduring character, remains constant and the envisioned future is communicated to them (see figure 2.3 on page 28). Management should also be aligned to the change process so that the message can be communicated and managed in a controlled manner.

6.4.7 Organisational learning

The ultimate goal is for Pam Golding Properties to become a learning organisation.

Organisational learning is the process whereby active learning takes place within an organisation. This process of learning is followed by individuals, teams and the organisation itself in order to sustain, supplement and improve the knowledge, skills and practices related to its core functions. During this process competitive advantage is created so that superior performance is possible. Individual learning is necessary, but unless the organisation itself utilises this collective knowledge, the organisation will not become a learning organisation. The learning organisation is therefore an ideal form of organisation where continual learning takes place in order to gain sustainable excellence. Continual learning presupposes continuous improvement, which equates to meaningful change.

A culture of innovation, creative thinking and constant renewal underpins a learning organisation that transforms itself continuously. For meaningful change to be managed in a competent way, old ways may have to adapted or changed. New knowledge needs to be enabled for PGP to maintain a sustainable competitive advantage. The organisation can only change to improve through continuous learning.

It is recommended that a concerted effort be made by PGP's full leadership complement to actively promote and strive towards the company becoming a true learning organisation in order to sustain its culture, brand, reputation and other intangible assets and competences.

6.4.8   Recommendations for further research

It is recommended that further research be undertaken to ascertain what the current and past clients' views are pertaining to the key resources as defined by the organisation. The value of the identified intangible assets and competences can be tested for validity and value to the client. This information should provide a further perspective on competitive advantage.

Research can also be undertaken to amplify the role of organisational leadership and learning in a service organisation with respect to competitive advantage.

6.5 FINAL CONCLUSION

The problem that has been addressed by this case study lay in establishing a link between theoretical business and ethical principles, and the practical application of leadership in order to maintain a significant competitive advantage within Pam Golding Properties. This organisation was seen as a typical example of a service oriented organisation, which is positioned in a highly competitive market and that can sustain a competitive advantage in order to ensure its future success.

Answers needed to be found for following research questions:

- How can sustainable competitive advantage in a service organisation be defined?
- Which existing resources within Pam Golding can be categorised as strategic assets/key resources?
- What role should organisational leaders play to ensure sustainable competitive advantage from a resource point of view?
- To what extent, if at all, is organisational learning a strategic asset in a service organisation?
- Which of the key resources need to be developed and protected for future utilisation?

The concept of sustainable competitive advantage has been defined and its underlying foundation in the form of leadership and organisational learning as well as the interdependent key resources that exist as the essence of Pam Golding Properties have been identified as organisational culture, the PGP brand, company reputation, teamwork, relationships, systems and procedures, managers and agents. The organisation now needs to formulate a strategy by which these resources are developed, protected and deployed in a balanced and equal manner, in order to provide the organisation with a sustainable competitive advantage to ensure superior market, sales and financial performance and continuous success in its field of operation.

Leadership that embraces change and strives toward creating a learning organisation in the true sense of the word, should lead this organisation to achieve the ultimate goal of being the number one corporate service provider in the country to which the world can look up to. In this way Pam Golding Properties is not yet another service company in the world, but one for the world.

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APPENDICES

INTERVIEW PROTOCOL

1. INTRODUCTION

- The interviewer provides a short background and gives each interviewee a copy of Fig 7 on page 46: Model of sustainable competitive advantage.

This model is used as a guideline for the design of appropriate tools by which historical and existing resources within Pam Golding Properties can be identified, categorised and assessed as strategic assets. The underlying role of transformational leadership and organisational learning is assessed simultaneously. The model illustrates an interdependency between leadership and organisational learning with respect to the organisation's key resources that need to be recognised by organisational leadership and utilised in such a manner that they contribute to the organisation's sustainable advantage by adding value for the client. These capabilities are expressed in the organisation's overall performance in the market place and determine the degree of superiority of performance by the organisation.
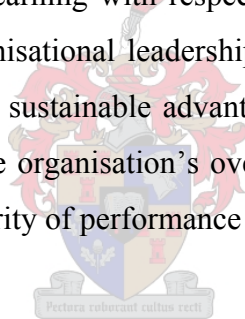
2. INTERVIEW SCHEDULE

- **The interviewee is invited to tell the story of his/her experiences regarding competitive advantage within PGP.**
- **Probing questions/statements (Any order depending on interviewee's response)**
- **The context within which the interview is to take place is explained.**
- **A short explanation is given of the concepts 'sustainable competitive advantage, organisational resources, learning and leadership'.**
- **The interviewee is assured that information will be treated confidentially.**
- **A time-limit of one hour is placed on the interview.**

- To what extent do you believe **quality service levels** (superior performance) to be of the essence in PGP?   Now? Rate on a scale of 1-10?   5 years ago? Rate on a scale of 1 – 10? H/M/L

- Has it always been like this? What brought about change?_____

_____

_____

- Do you deem it necessary to measure success in **today's competitive environment?**_____

- What characterises the **corporate culture** at PGP? (Probes: **vision? values? leadership? learning? change?**)_____

_____

_____

_____

_____

- What are your **personal goals** for the company? _____

_____

- How are these aligned to **company strategy for renewal**?

_____

_____

_____

- In what way do you consider **teamwork i.e synergistic teams,** to be a factor in the company? H/M/L

_____

Negative or positive?_____

Is it happening currently? _____

In the past? Has it changed at all?_____

_____

_____

- Do you regard the individuals employed by PGP in general to be **knowledgeable? skilled? talented? experienced?**

  Rate order of NB**: Employees**: knowledge / skill / talent / experience

  Management: knowledge / skill / talent / experience

- What are your views on **intellectual property (tacit knowledge in particular)** within PGP?_____

  _____

  _____

  _____

  _____

- In what way does the PGP **brand and company reputation** contribute to the organisation's success?

  _____

  _____

- Give one word to describe PGP's brand _____

- Give one word to describe PGP's reputation _____

- Which is more important: branding or reputation?

  _____

- What is your opinion on PGP's current utilisation of **networks and databases**, supporting **infrastructure and information systems**? _____

  _____

- Has this position changed at all over the past five years?

  _____

  In what way has it affected you?

  _____

- How do you see **organisational leadership** affecting PGP's market position with reference to superior performance? _____

  _____

  _____

- Does PGP leadership **empower people** to improve continuously?_____

  How?_____

- Do you believe PGP to be an organisation that is committed to lifelong learning of its people? And so is constantly and deliberately **learning** itself?_____

  _____

  How and in which way? _____

- Why do you believe **learning (creating new knowledge)** within the organisation to be important? **Innovation**?_____

  _____

- How does **training** in the organisation contribute to **individual learning**?

  _____

Organisational learning? _____

_____

_____

_____

_____
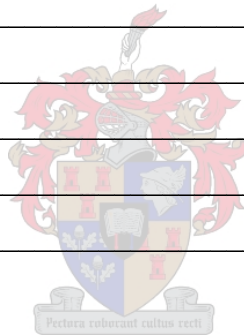
<div align="right">**APPENDIX B**</div>

QUESTIONNAIRE

INSTRUCTIONS:

This is a questionnaire designed to gather data on key resources and competences within the Pam Golding Properties organisation's residential company. After reading each item, please indicate your response by *clicking the appropriate block*.

Remember that your *first reaction* to the question is usually the most accurate.

All information will be treated as *strictly confidential* and will be used only for academic research purposes.

Kindly respond to *all the statements* and supply extra information that you may deem necessary, at the end of each section in the space provided and return your completed questionnaire to me by return e-mail before or on *30 April 2006*.

The questionnaire is divided into two sections, the first to provide information regarding the respondent and the second, to provide information regarding the respondent's opinions in terms of intangible assets, competences, leadership and learning within the organisation.

As the questionnaire is directed at the full spectrum of PGP stakeholders, all questions may not relate to you directly and you may therefore not be in agreement or disagreement with a particular statement – if you prefer, a comment can then be made in the space provided in the last part of each section.

Thank you for your valuable input. Please be assured that your opinions are highly valued.

SECTION 1

RESPONDENT INFORMATION (choose one only to complete each sentence)

1. **I am:**

    a member of the PGP executive

    a PGP manager

    a PGP estate agent

    an administrative employee at PGP

2. **I am:**

    female

    male

3. **I work in:**

    Head office (Cape Town)

    Gauteng

    Western Cape

    Boland and Overberg

4. **I have been with PGP for _____ years and _____months**
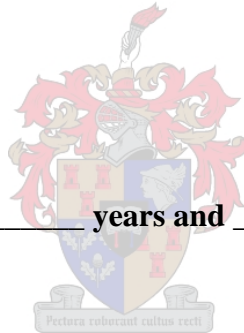
SECTION 2

A. QUESTIONS DEALING WITH INTANGIBLE ASSETS (tacit, cultural and network resources):

- **Tacit resources (knowledge, skills and experience):**

1. *PGP recruits and appoints managers who add value to the organisation.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

2. *PGP recruits and appoints estate agents who add value to the organisation.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

3. *PGP managers assist agents in such a way that they add value for the client.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

4. *In their dealings with their clients PGP estate agents add value for the client.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

5. *PGP managers do their work in such a way that managers working for competing companies cannot duplicate what they do.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

6. *PGP agents do their work in such a way that agents working for competing companies cannot duplicate what they do.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

7. *PGP managers can easily be substituted.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

8. *PGP estate agents can easily be substituted.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐
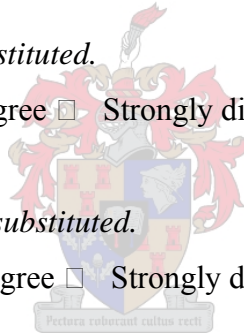
9. *The perception exists that there is a low turnover of managers at PGP.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

10. The perception exists that there is a low turnover of estate agents at PGP.

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

11. *PGP managers are versatile and can easily break into new markets.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

12. *PGP agents are versatile and can easily break into new markets.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

13. *Please add any comments that you may have regarding PGP employees in general:*

_____

_____

_____

_____

_____

_____

- **Cultural resources (values, beliefs and preferred behaviours):**

14. *Core values form the foundation of PGP's corporate culture.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

15. *Clients value the fact that PGP agents are characterised by their ethical and honest conduct more than actual service delivery.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

16. *A culture of ethical and honest conduct is irreplaceable.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

17. *The advantages of dealing with agents, who are ethical and honest in their approach, cannot be substituted.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

18. *The existing culture within PGP must not change.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

19. *The existing culture within the residential company is also evident in the other Pam Golding*

divisions (Commercial, International etc.).

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

20. *Please add any comments that you may have regarding company culture in general:*
_____
_____
_____
_____
_____
_____

- **Network resources (employees - communication and referrals, clients - reputation and branding):**

21. *All employees in PGP communicate and network well.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

22. *Communication internally within geographical regions in PGP works well.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

23. *Inter-regional communication is good within PGP.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

24. *Clients of the organisation currently benefit from communication within the organisation.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

25. *The current referral system being utilised by PGP is very effective.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

26. *The advantages of the current referral system strongly contribute towards excellence in service delivery.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

27. *The internal referral system within PGP cannot easily be duplicated by competitors.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

28. *The referral system can easily be substituted by a more effective system.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

29. *Marketing the PGP brand is paramount in a competitive environment.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

30. *The prominence of the PGP brand provides distinct value to PGP clients.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

31. *No other real estate company can compete with the PGP brand.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

32. *Competing companies cannot duplicate the value of the PGP brand.*

. Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

33. *The PGP brand is established and does not need to be constantly reinforced in the mind of the public.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

34. *The PGP brand has successfully been transferred to its newer divisions.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

35. *Reputation is more important than branding.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

36. *PGP's reputation ensures client loyalty.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

37. *PGP's reputation can easily be emulated by other companies.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

38. *Nothing can substitute PGP's reputation.*

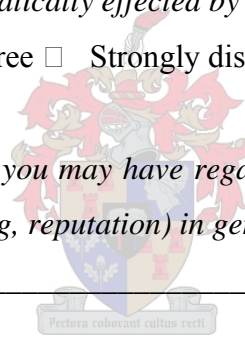Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

39. *The reputation that PGP has in the marketplace, is entrenched to such an extent that it cannot be tarnished.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

40. *The reputation that PGP has in the marketplace, is entrenched to such an extent that new Pam Golding companies are automatically effected by it.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

41. *Please add any comments that you may have regarding the utilisation of network resources (communication, referrals, branding, reputation) in general:*

_____
_____
_____
_____
_____
_____

B. QUESTIONS DEALING WITH COMPETENCES (how the company, groups and individuals apply intangible assets) :

- **Relationships**

42. *PGP cultivates and builds good relationships within the company*.

Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree ☐

43. *Clients benefit from good relationships among the PGP workforce*.

Strongly agree ☐ Agree ☐   Disagree ☐ Strongly disagree ☐

44. *Other real estate companies do not place the same emphasis on internal relationships.*

Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree ☐

45. *Internal relationships are so strong that they cannot be substituted.*

Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree ☐

46. *Good relationships lead to loyal employees that remain with the organisation.*

Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree ☐

47. *Rapid organisational growth and diversification does not lead to a dilution of employee loyalty.*

Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree ☐

48. *Please add any comments that you may have regarding company relationships in general:*

_____

_____

_____

_____

_____

- **Teamwork**

49. *Teamwork is evident throughout the PGP organisation.*

Strongly agree ☐ Agree ☐ Disagree ☐ Strongly disagree ☐

50. *Teamwork is evident in geographical areas.*

Strongly agree ☐　Agree ☐　Disagree ☐　Strongly disagree ☐

51. *Teamwork is evident within the various divisions of the organisation.*

Strongly agree ☐　Agree ☐　Disagree ☐　Strongly disagree ☐

52. *Teamwork is evident inter-regionally.*

Strongly agree ☐　Agree ☐　Disagree ☐　Strongly disagree ☐

53.　*Advantages gained through teamwork in PGP cannot be duplicated by other companies.*

Strongly agree ☐　Agree ☐　Disagree ☐　Strongly disagree ☐

54. *The advantages of teamwork cannot be substituted.*

Strongly agree ☐　Agree ☐　Disagree ☐　Strongly disagree ☐

55. *Teamwork builds relationships and nurtures loyalty amongst staff.*

Strongly agree ☐　Agree ☐　Disagree ☐　Strongly disagree ☐
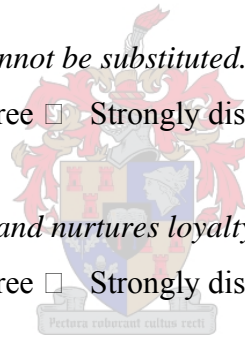
56. *Please add any comments that you may have regarding teamwork in PGP:*

_____

_____

_____

_____

_____

- **Systems and procedures (IT, data collection and knowledge management)**

57. *Systems and procedures are key to the success of PGP.*

Strongly agree ☐　Agree ☐　Disagree ☐　Strongly disagree ☐

58. *PGP clients benefit from systems and procedures currently being utilised by the organisation.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

59. *PGP makes use of effective systems and procedures that cannot be duplicated by competitors.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

60. *Current systems and procedures in use make knowledge sharing within the organisation a reality.*

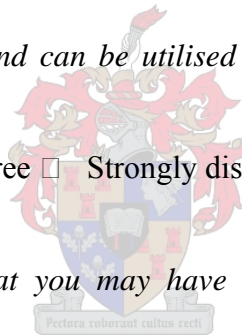Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

61. *Current systems and procedures are excellent for future utilisation by PGP..*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

62. *PGP's systems are versatile and can be utilised by all the regions in which the company operates.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

63. *Please add any comments that you may have regarding the utilisation of systems and procedures in PGP:*

_____

_____

_____

_____

_____

C. QUESTIONS DEALING WITH ORGANISATIONAL LEADERSHIP:

- **Leadership (company executive)**

64. *PGP's leading market position can be attributed to strong organisational leadership.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

65. *Clients benefit directly from PGP's leadership.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

66. *Leadership within PGP provides the organisation with vision and direction.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

67. *Leadership's vision is communicated throughout the organisation.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

68. *Leadership embraces change from a family business to a corporate organisation.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

69. *PGP's leadership supports individual learning within the organisation.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

- **Management (regional and branch management)**

70. *Management within PGP contributes to superior performance of the organisation.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

71. *PGP managers add distinct value for the PGP client.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

72. *PGP managers possess the required technological skills to assist the estate agents in the field.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

73. *PGP managers possess the required operational skills and aid their agents in the field.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

74. *PGP managers are largely focussed on improving their regions.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

75. *PGP managers are in favour of transformation through learning.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

76. *Please add any comments that you may have regarding company management and leadership in general:*

_____

_____

_____

_____

_____

D. QUESTIONS DEALING WITH ORGANISATIONAL LEARNING:

77. *Individuals in PGP are empowered to improve and grow consistently.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

78. *PGP supports a learning culture that is key to superior performance.*

 Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

79. *New staff members are provided with the necessary knowledge and skills to perform at their peak.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

80. *Individuals within PGP have a clear understanding of what is required of them to achieve their goals.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

81. *Improvement and growth opportunities for managers and company leaders are adequate.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

82. *Managers make a concerted effort to ensure that estate agents apply the new knowledge that they have gained training/learning sessions.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

83. *Innovation for improvement is part of PGP's learning culture.*

Strongly agree ☐   Agree ☐   Disagree ☐   Strongly disagree ☐

84.   *Please add any comments that you may have regarding organisational learning at PGP:*

_____

_____

_____

_____

_____
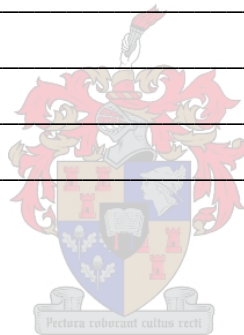
GROUPED RESPONSES

A. Descending order: Intangible assets

DESCENDING ORDER PER GROUP	AVERAGE
16 BDUPCUL	3.72
17 noSUBCUL	3.68
29 KEYBRAN	3.57
30 VALBRAN	3.55
14 KEYCUL	3.51
18 DURCUL	3.43
9 DURMAN	3.23
15 VALCUL	3.19
1 KEYMAN	3.17
3 VALMAN	3.15
4 VALAG	3.13
32 noSUBBRAN	3.13
2 KEYAG	3.02
37 BDUPREP	3.00
31 BDUPBRAN	3.00
40 TRREP	2.98
26VALREF	2.94
35 KEYREP	2.92
10 DURAG	2.89
36 VALREP	2.83
34 TRBRAN	2.83
19 TRCUL	2.79
7 noSUBMAN	2.77
38 noSUBREP	2.74
24 VALCOMM	2.74
8 noSUBAG	2.72
5 BDUPMAN	2.72
27 BDUPREF	2.66
12 TRAG	2.66
11 TRMAN	2.66
25 KEYREF	2.62
6 BDUPAG	2.57
22 INTCOMM	2.57
23 INREGCOMM	2.49
21 KECOMEMP	2.42
28 noSUBREF	2.28
39 DURREP	2.21
33 DUBRAN	2.09

B. Descending order: Competences

55 DURTW	3.42
57 KEYSP	3.34
46 DURREL	3.25
43 VALREL	3.19
54 noSUBTW	3.17
42 KEYREL	3.08
58 VALSP	2.98
50 KEYTWGEO	2.94
47 TRREL	2.81
51 KEYTWDIV	2.75
60 noSUBSP	2.70
49 KEYTWORG	2.64
62 TRSP	2.62
44 BDUPREL	2.60
45 noSUBREL	2.57
52 KEYTWINTREG	2.57
53 BDUTW	2.49
61 DURSP	2.47
59 BDUPSP	2.34

C. Descending order: Organisational Leadership

64 KEYL	3.42
65 VALL	3.25
66 VISL	3.19
74 REGMAN	3.19
75 LEARNMAN	3.19
70 KEYMAN	3.11
69 LEARNL	3.09
71 VALMAN	3.02
73 OPMAN	3.00
68 TRFML	2.87
67 COMML	2.79
72 TECMAN	2.68

D. Descending order: Organisational learning

78 VALOL	3.17
83 INNOL	3.13
77 KEYOL	3.02
82 APPOL	2.87
80 IDVOL	2.85
79 INDOL	2.79
81 LEOL	2.74

TOP 10 KEY RESOURCES ACCORDING TO REGIONAL RESPONSES

(First top 5 highlighted in red)
(Second top five highlighted in green)

| QUESTIONS	ALL	B	GT	HO	WC
14 KEYCUL	3.51	3.57	3.29	3.50	3.67
16 BDUPCUL	3.72	3.79	3.64	3.80	3.67
17 noSUBCUL	3.68	3.71	3.64	3.70	3.67
18 DURCUL	3.43	3.64	3.21	3.20	3.60
29 KEYBRAN	3.57	3.57	3.57	3.60	3.53
57 KEYSP	3.34	3.29	3.29	3.20	3.53
64 KEYL	3.42	3.50	3.29	3.30	3.53
30 VALBRAN	3.55	3.57	3.50	3.70	3.47
55 DURTW	3.42	3.36	3.36	3.50	3.47
65 VALL	3.25	3.43	2.93	3.20	3.40
66 VISL	3.19	3.43	3.07	2.70	3.40
46 DURREL	3.25	3.29	3.14	3.20	3.33
74 REGMAN	3.19	3.43	2.93	3.00	3.33
75 LEARNMAN	3.19	3.43	3.00	2.90	3.33
1 KEYMAN	3.17	3.29	3.00	3.10	3.27
4 VALAG	3.13	3.14	3.00	3.10	3.27
54 noSUBTW	3.17	3.21	3.14	3.00	3.27
70 KEYMAN	3.11	3.43	2.86	2.80	3.27
78 VALOL	3.17	3.43	2.93	3.00	3.27
3 VALMAN	3.15	3.21	3.00	3.20	3.20
26VALREF	2.94	3.21	2.79	2.40	3.20
32 noSUBBRAN	3.13	3.07	3.14	3.10	3.20
58 VALSP	2.98	3.21	2.71	2.70	3.20
83 INNOL	3.13	3.43	2.93	2.90	3.20
2 KEYAG	3.02	2.93	2.86	3.20	3.13
9 DURMAN	3.23	3.21	3.29	3.30	3.13
37 BDUPREP	3.00	3.00	2.71	3.20	3.13
69 LEARNL	3.09	3.29	2.86	3.10	3.13
71 VALMAN	3.02	3.21	2.71	3.00	3.13
15 VALCUL	3.19	3.43	3.00	3.30	3.07
19 TRCUL	2.79	2.86	2.64	2.50	3.07
73 OPMAN	3.00	3.14	2.79	3.00	3.07
77 KEYOL	3.02	3.36	2.93	2.60	3.07
24 VALCOMM	2.74	3.00	2.50	2.30	3.00
40 TRREP	2.98	3.21	2.79	2.90	3.00
43 VALREL	3.19	3.29	3.14	3.40	3.00
50 KEYTWGEO	2.94	3.14	2.64	3.00	3.00
62 TRSP	2.62	3.14	2.29	1.80	3.00
67 COMML	2.79	3.21	2.43	2.40	3.00
82 APPOL	2.87	3.07	2.57	2.80	3.00

31 BDUPBRAN	3.00	3.29	2.93	2.80	2.93
42 KEYREL	3.08	3.21	2.86	3.40	2.93
60 noSUBSP	2.70	3.00	2.57	2.10	2.93
79 INDOL	2.79	3.00	2.57	2.60	2.93
80 IDVOL	2.85	3.14	2.64	2.60	2.93
27 BDUPREF	2.66	2.79	2.50	2.40	2.87
47 TRREL	2.81	2.79	2.79	2.80	2.87
68 TRFML	2.87	3.14	2.79	2.60	2.87
25 KEYREF	2.62	2.93	2.36	2.30	2.80
35 KEYREP	2.92	2.93	2.86	3.20	2.80
36 VALREP	2.83	3.14	2.50	2.90	2.80
5 BDUPMAN	2.72	3.07	2.43	2.60	2.73
7 noSUBMAN	2.77	3.00	2.64	2.70	2.73
8 noSUBAG	2.72	2.71	2.79	2.60	2.73
34 TRBRAN	2.83	3.07	2.64	2.90	2.73
51 KEYTWDIV	2.75	3.00	2.43	2.90	2.73
72 TECMAN	2.68	3.07	2.29	2.60	2.73
81 LEOL	2.74	2.93	2.50	2.80	2.73
38 noSUBREP	2.74	2.93	2.57	2.80	2.67
45 noSUBREL	2.57	2.86	2.14	2.60	2.67
49 KEYTWORG	2.64	2.79	2.57	2.50	2.67
52 KEYTWINTREG	2.57	2.64	2.43	2.50	2.67
10 DURAG	2.89	3.07	2.86	3.10	2.60
12 TRAG	2.66	2.71	2.64	2.70	2.60
21 KECOMEMP	2.42	2.50	2.21	2.30	2.60
22 INTCOMM	2.57	2.86	2.36	2.40	2.60
6 BDUPAG	2.57	2.86	2.50	2.30	2.53
53 BDUTW	2.49	2.71	2.43	2.20	2.53
11 TRMAN	2.66	3.00	2.57	2.60	2.47
23 INREGCOMM	2.49	2.71	2.36	2.40	2.47
59 BDUPSP	2.34	2.86	2.00	1.90	2.47
61 DURSP	2.47	2.93	2.43	1.90	2.47
44 BDUPREL	2.60	2.71	2.50	2.90	2.40
28 noSUBREF	2.28	2.64	2.21	1.90	2.27
33 DUBRAN	2.09	2.36	1.79	2.00	2.20
39 DURREP	2.21	2.50	2.07	2.20	2.07

OVERALL KEY RESOURCES

Total responses in descending order

16 BDUPCUL	3.72
17 noSUBCUL	3.68
29 KEYBRAN	3.57
30 VALBRAN	3.55
14 KEYCUL	3.51
18 DURCUL	3.43
55 DURTW	3.42
64 KEYL	3.42
57 KEYSP	3.34
46 DURREL	3.25
65 VALL	3.25
9 DURMAN	3.23
15 VALCUL	3.19
43 VALREL	3.19
66 VISL	3.19
74 REGMAN	3.19
75 LEARNMAN	3.19
1 KEYMAN	3.17
54 noSUBTW	3.17
78 VALOL	3.17
3 VALMAN	3.15
4 VALAG	3.13
32 noSUBBRAN	3.13
83 INNOL	3.13
70 KEYMAN	3.11
69 LEARNL	3.09
42 KEYREL	3.08
2 KEYAG	3.02
71 VALMAN	3.02
77 KEYOL	3.02
31 BDUPBRAN	3.00
37 BDUPREP	3.00
73 OPMAN	3.00
40 TRREP	2.98
58 VALSP	2.98
26VALREF	2.94
50 KEYTWGEO	2.94
35 KEYREP	2.92
10 DURAG	2.89
68 TRFML	2.87
82 APPOL	2.87
80 IDVOL	2.85
34 TRBRAN	2.83
36 VALREP	2.83
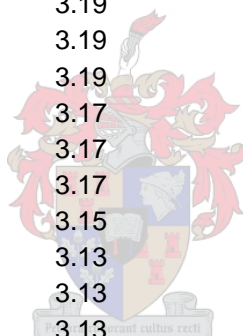
47 TRREL	2.81
19 TRCUL	2.79
67 COMML	2.79
79 INDOL	2.79
7 noSUBMAN	2.77
51 KEYTWDIV	2.75
24 VALCOMM	2.74
38 noSUBREP	2.74
81 LEOL	2.74
5 BDUPMAN	2.72
8 noSUBAG	2.72
60 noSUBSP	2.70
72 TECMAN	2.68
11 TRMAN	2.66
12 TRAG	2.66
27 BDUPREF	2.66
49 KEYTWORG	2.64
25 KEYREF	2.62
62 TRSP	2.62
44 BDUPREL	2.60
6 BDUPAG	2.57
22 INTCOMM	2.57
45 noSUBREL	2.57
52 KEYTWINTREG	2.57
23 INREGCOMM	2.49
53 BDUTW	2.49
61 DURSP	2.47
21 KECOMEMP	2.42
59 BDUPSP	2.34
28 noSUBREF	2.28
39 DURREP	2.21
33 DUBRAN	2.09