# Organisational Learning and the New Zealand Real Estate Industry

Susan Flint-Hartle
Department of Finance, Banking and Property, Massey University – Albany Campus,
Private Bag 102904,NSMC Auckland, New Zealand.
Phone: 64 9 4439799 ext 9457
Fax: 64 9 4418177
E mail: S.L.Flint-Hartle@massey.ac.nz

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**Abstract**

The real estate brokerage industry offers an interesting opportunity to explore organisational response in an environment of rapid change. This paper explores the effectiveness of organisational learning and more specifically the 'Learning Company' concept, as a mechanism to cope with change occurring in real estate businesses. It also examines the link between organisational learning and overall office performance. The SPSS statistical package is used to analyse data collected from a survey of real estate offices in Auckland, New Zealand. Qualitative information from in-depth staff interviews is also analysed to overlay the quantitative results with some real life stories of learning practices.

Empirical results show that organisational learning is occurring at different degrees in real estate offices and that there are important differences between 'high' and 'low' scoring learning offices. It is found that while there is a link between office learning and performance, there are also other important factors such as office size, market location and the office franchise group affiliation. It is also found that the highly competitive nature of the real estate industry, together with emphasis on the training of individuals, presents a barrier to organisational learning. It is suggested that some attitudes, behaviours and customs that have become embedded in the real estate culture may need to be changed before the benefits of organisational learning can be fully utilised as one way of coping with a rapidly changing environment.

## Introduction

In a 21st Century business environment, where change is accelerating more rapidly than ever before, a capacity to adapt, to innovate continuously and to take decisive action is increasingly necessary for commercial viability. Moreover 'sustainable business success is not just about intelligent individuals – it is about intelligent organisations which are capable of learning' (RSA Enquiry, 1995: 17). Survival and learning appear inextricably linked; therefore by extrapolation there must be a link between learning and performance. This paper examines this hypothesis in relation to the real estate brokerage industry in New Zealand. The suggestion is that the more a real estate business enables learning within its ranks, the more agile it will be in coping with change and the better it will perform in the present challenging environment.

A sample of real estate offices operating in Auckland under the banner of two major New Zealand franchise groups forms the nucleus of the study. Each office is rated by its head office chief executive officer on nine performance criteria and then each person working in each office is questioned about his or her perception of the level of learning within the office. The aim is to test any correlation between high performance and wider organisational learning.

**The Measurement of Performance**

Real estate offices ranging in size agreed to take part in the study. All were active agency businesses operating on a full time basis from commercial premises in Auckland and were representative of the New Zealand industry standard.

After establishing the sample group, the next task was to establish which offices were successful and how success could be defined. Nine principal criteria for success were established. The following criteria are supported in the literature, especially in the work of Isso (2000) who particularly stresses the importance of ethical behaviour.

1. Sound business practices
2. Staff recruitment and retention history
3. Income/profitability
4. Stimulating culture
5. Education levels
6. Innovation in marketing techniques
7. Management competencies
8. Ethical/professional behaviour
9. Reputation

Each CEO of the franchise groups was asked to rate their offices on a scale of 1-5 for its performance on each criterion, with 5 being an excellent rating and 1 a very low rating. The scores were added and a mean perceived score derived for performance over the nine criteria.

'Successful' offices were those designated as having a mean score of 3 and over for performance and 'average' offices were those that scored under 3. Interestingly there appeared to be a correlation between both CEO's perception of 'success' and 'size of the office' where the bigger the office the more highly it was rated. One reason for this could be the bigger income that is derived from these large offices making them more attractive to the parent company, which would be deriving a steady stream of revenue. The small offices were possibly less conspicuous to each CEO.

To determine if the size of an office actually did have an effect on how successful the CEO perceived the office, a statistical test was run between the office size (independent variable) and the perceived performance (dependent variable). First however, the different values of the variable ‘Performance’ (v0) had to be assessed. The mean of the 9 characteristics (V1-V9) was calculated for each office and the value attributed to the 135 respondents. For instance, if the CEO rated an average of 4 for one office, then all respondents from the office would have the value of 4 for v0.

To account for the difference in office size, the number of respondents from each individual office was used to divide the value of v0 and in this way the same weight for all offices was achieved in assessment of performance.

The formula to calculate v0 can be expressed mathematically as follows:

$$\mathbf{v0_i} = \frac{\sum_{j=1}^{9} \mathbf{v_{jk}} \big/ \mathbf{9}}{\mathbf{N_k}}$$

Where “**i”** identifies the respondents (from 1 to 135), “**j**” the number of the criteria (from 1 to 9), “**k”** the office to which she/he belongs (from 1 to 18), and “$\mathbf{N_k}$” the size of the office **“k**” to which the respondent “**i**” belongs.

The test on the relationship between the size of the office and the performance rating shows a positive and significant correlation (significance of 0.022). From a simple regression model between v0 and office size the unstandardised coefficient of 0.002837 with a significance of 0.022 was found. Since this unstandardised coefficient is positive, the correlation between the two variables is positive. Consequently if office size increases so does the perceived performance variable. From this it is possible to conclude that the bigger the office the higher the rating received from the CEO. This result gives weight to the suggestion that the larger offices were more likely to be placed in the successful group at the start and this fact indicated a bias in the CEO ratings.

If each one of the nine criteria was accurately and evenly weighed on present rather than historical performance measures, this problem may have been avoided. Present circumstances included an unpopular company merger situation as well as a downturn in market conditions over the months preceding this study that could have impacted considerably on large urban agencies, by reducing the activity within the business. Furthermore the comparative insignificance historically, of the smaller offices in relation to the cash cow bigger offices also seemed important and could have further affected accuracy of selection.

## The Measurement of Learning

A questionnaire based on an adapted version of the ‘Learning Company’ (Pedlar et al, 1998) measurement instrument, was sent to every person working in every office. The questionnaire consisted of 44 statements designed to measure the 11 characteristics typical of a 'Learning Company'. Respondents were asked to measure their office on its performance on each statement. Answers to sets of 4 specific statements produced a score for each of the 11 characteristics. Demographic details of the individuals involved were also collected. The purpose was to investigate any links with the perceptions recorded. For example: Was there a significant difference between the perceptions of women and men in an office in respect to information technology or opportunities for self-development?

The study involved 135 individuals consisting of 72 males and 63 females either from management, sales, or administrative roles in the business. Two offices in the study were owned and operated by women and 16 by men. By far the biggest percentage of the individual participants was involved in sales and this is typical of the normal real estate office distribution of labour. 67.7% of respondents were over 30 and under 50 years of age. 51% had been working in their present office under a year.

In terms of the levels of real estate education, 75.6 % held the minimum qualification of sales certificate, 19% were branch managers, associates and/or licence holders. General education levels in the sample showed 41.4% had tertiary or professional qualifications. Specialist area distribution revealed 80% offices specialised in residential sales and the balance in commercial, rural or business brokerage.

A further part of the data was a group of agents and sales and administrative staff selected to be interviewed in in-depth telephone or face to face interviews. This put the Learning Company Questionnaire results into a context of organisational culture and climate, which in turn would help real estate professionals to understand better how organisational learning works in practice and how it might contribute to success. Because the questionnaire used measured the perceptions of staff in each firm, it did not tell what actually happened, so the interviews were considered vital in providing concrete stories, cases, and ideas – examples of best practice.

When the data was returned and the mean scores for each office were observed, 60% of the CEO determined ‘high performing’ or ‘successful’ offices showed correspondingly high learning scores. That is 6 out of the 10 offices in the successful study group scored high on the 11 learning dimensions but 2 of the CEO recommended ‘lower performing’ or ‘average’ offices scored high learning results. (This result is illustrated graphically below in Table 1.1). Both these offices were of interest because they were **small** operations and narrowly missed selection as successful in the first place. Furthermore both belonged to the second franchise group where the distinction between ‘successful’ and ‘average’ was less defined. The 2 offices also contrasted with the 4 large urban offices with poor learning scores in terms of location, both being semi rural based.

**Table 1.1**

**The Learning Scores of the ‘S’ and ‘A’ Rated Offices**

| | **High Learning** | **Low Learning** |
|---|---|---|
| **‘S’** | **6** | **4** |
| **‘A’** | **2** | **6** |

An additional analysis was then undertaken to examine the ‘learning office’. This analysis was based only on results from the questionnaire. Using the mean scores on each characteristic for each individual office the ‘Effective Learning Zone’ framework was devised. Each office was allocated a point for every characteristic with a mean score over 3 [1], so that if an office scored a mean of 4.22 for characteristic 1; 3.81 for C2; 4.09 for C3 and 4.48 for C7 for example, it was said to score 4 in the ‘The Effective Learning Zone’. Scores under 3 for any learning characteristic were considered to indicate less effective organisational learning in that particular aspect. So an office could perform well on some of the learning characteristics and less well on others.

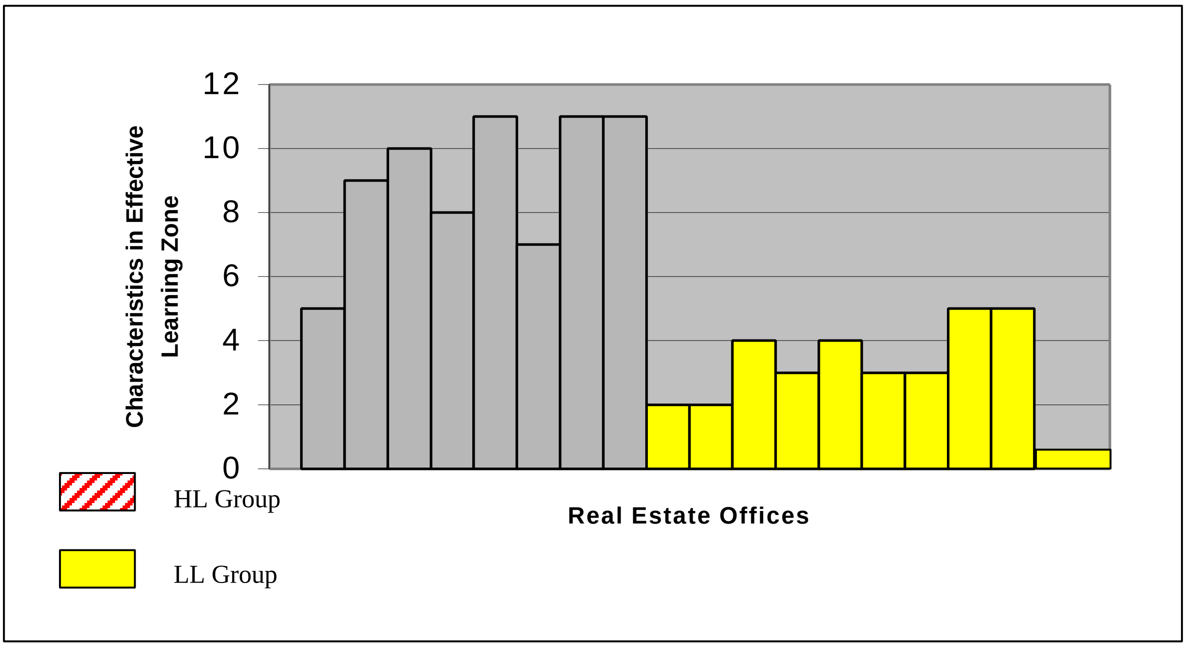
By fitting the offices to this framework two new groups emerged. A higher learning group, offices that scored 5 characteristics and over into the ‘The Effective Learning Zone’. This group became the ‘HL’ group and consisted of 8 offices. A lower learning group, offices that scored 5 and under learning characteristics on the framework. This group became the ‘LL’ group consisting of 10 offices. Two of the ‘LL’ offices actually scored 5 characteristics on the ‘The Effective Learning Zone’ framework but their scores on all the other characteristics were very low, under 2.5 and 2. Because of these negative scores these two offices were placed into the lower learning group. No offices in the higher learning group scored a characteristic negatively at 2.5 or under. In this way two separate groups could be clearly distinguished.

For the purposes of this analysis the ‘HL’ group demonstrated a measure of success in terms of organisational learning within the company. The ‘LL’ group appeared significantly weaker or real estate professionals in this group appeared to see their firms as less ‘learningful’ than those in the ‘HL’ group.

[1] Perhaps an arbitrary figure although on a 5 point likert scale 3 indicates a median score – neither high nor low

**Figure 1.1**

**The High and Low Learning Offices**

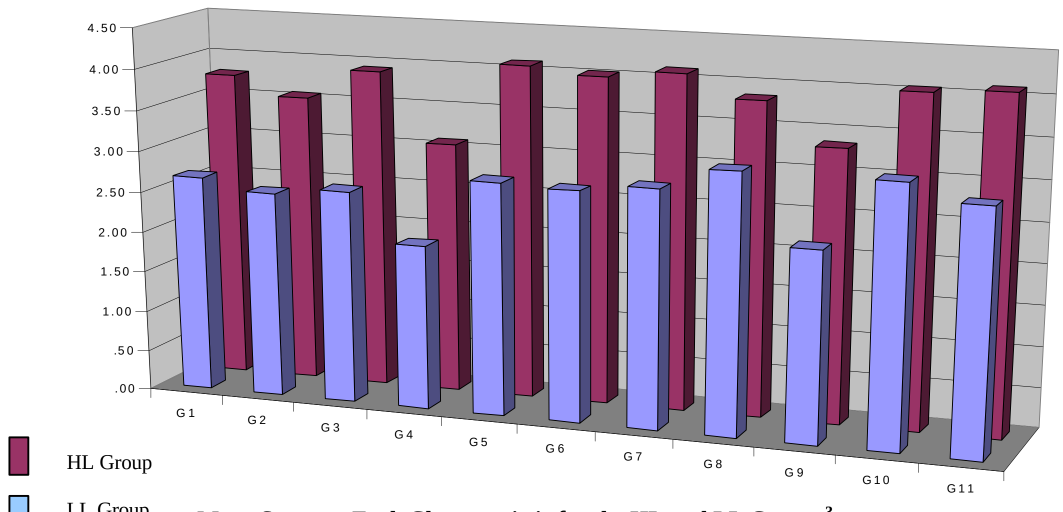



'The Effective Learning Zone' allowed both each individual office and each group of offices to be profiled as learning organisations. Each office recorded a mean score for each of the 11 learning company characteristics plus an overall score for learning dimensions based on the sum of the 11 component scores. [2]

The mean for each characteristic for the 'HL' group was consistently higher than the 'LL' group. This may indicate that offices in the 'HL' group have a tendency to learn more as organisations than offices in the 'LL' group. However taking into account the differences in standard deviation between the groups it is not possible to make a definitive judgement. These differences are graphically in the following Figure 1.2. G1-11 represents the 11 Learning Company characteristics.

[2] The ability to produce a profile of each individual office and to provide that on a confidential basis to the owner/operator of each office was considered to be a potentially valuable analytical tool for considering individual business strengths and weaknesses.

**Figure 1.2**




**Mean Score on Each Characteristic for the HL and LL Groups[3]**

In examining the differences in perceptions between the higher and lower learning offices some interpretation was included based on industry experience and account was taken where appropriate of comments made by the interviewees. Perception of the learning characteristics by gender and role held in the office was investigated and differences between the two national franchise groupings examined. Finally attention was redirected to the links between office performance and learning.

## Data Analysis

According to learning company theory, a company where learning is taking place displays high scores in terms of 11 characteristics. The development of policy and strategy is treated as an on going learning process. There is a high level of participation in policy making by organisational members and stakeholders; information technology is used for sharing knowledge and mutual awareness; accounting processes are used to give feedback helpful to understanding the effects of action, to learning and decision-making. There is constant dialogue – exchanging information on expectations, negotiating, contracting and feedback is given on services; management seeks alternative ways of rewarding people other than with money; opportunities are given to for individual and business development. It is accepted that people work at the formal boundaries of the organisation, collecting and passing on ‘environmental’ information. There is a willingness and ability to learn with and from other organisations and companies; people are expected to engage in responsible experimentation and there is shared learning from successes and failures.

Analysis of the data collected on these issues revealed considerable differences between offices that scored high on the ELZ framework and those that did not. The in depth interviews with people from the original CEO rated high performing offices also served to illustrate learning activities that were occurring. Analysis highlighted certain factors that impacted on the perception of learning in individual offices.

## Factors Effecting the Perceptions of Learning

### Gender

Table 1.2 below describes the mean scores for 70 men and 63 women on the 11 learning characteristics. Women recorded lower mean scores than men did on all 11 learning dimensions and the difference was greatest for ‘Informating’ confirming the general idea that women are less at ease with the new technological advances than their male counterparts. This could possibly be because women in real estate tend to be older and arguably less likely to be motivated to learn new techniques.

Other differences in perception were observed, although these are not statistically significant, they serve to aid understanding of gender based differences. Characteristic 5, for example, involving ‘internal exchange’ also showed a marked gender difference perhaps suggesting that women feel more isolated in terms of being included in office decision-making. In an industry where most managers, licensees and owners are male, this seems likely, as many men are less comfortable seeking female opinion.

Furthermore, women perceived ‘enabling structures’ lower than men, which also supports this rigidity of organisational position in the real estate office. In the area of ‘environmental scanning’ women generally perceived their office as performing less well than men did.

Although gender was not one of the issues this study intended to focus on it is an interesting point that most managers in the real estate industry are male (85% of the managers in the sample were male). Given that 47% of the sample consisted of women, the imbalance in management ranks raises some interesting questions and suggests that gender issues have not yet come to the attention of the industry as a whole.

**Table 1.2**

| **Gender Mean Scores for Each Learning Characteristic** | | | |
|---|---|---|---|
| Characteristic | Males | Females | Sig (2-tailed) |
| C1 A Learning Approach to Strategy | 3.21 | 3.02 | .295 |
| C2 Participative Policy Making | 3.06 | 2.79 | .165 |
| **C3 informating** | 3.31 | 2.90 | .022 |
| C4 Formative Accounting and Control | 2.61 | 2.42 | .311 |
| C5 Internal Exchange | 3.58 | 3.28 | .082 |
| C6 Reward Flexibility | 3.36 | 3.27 | .618 |
| C7 Enabling Structures | 3.60 | 3.26 | .063 |
| C8 Environmental Scanning | 3.62 | 3.36 | .055 |
| C9 Inter Company Learning | 2.80 | 2.71 | .578 |
| C10 A Learning Climate | 3.60 | 3.40 | .321 |
| C11 Self-Development Opportunities | 3.64 | 3.39 | .106 |

## Office Role

In terms of role in the office, salespeople’s perceptions were clearly dominant, but given the structure of real estate offices this was not considered an imbalance. 105 sales and administration people responded as opposed to 14 managers. It was clear that in all cases the sales and administration people held less positive views of their office learning capabilities than managers did. Table 1.3 below shows the mean scores on each characteristic depending on the role held in the office.

**Table 1.3**

| **Role in Office Mean Scores for Each Learning Characteristic** | | | |
|---|---|---|---|
| Characteristic | Sales/Admin | Management | Sig (2-tailed) |
| **C1 A Learning Approach to Strategy** | 3.03 | 3.62 | .045 |
| C2 Participative Policy Making | 2.91 | 3.33 | .202 |
| C3 informating | 3.14 | 3.33 | .511 |
| C4 Formative Accounting and Control | 2.45 | 2.83 | .237 |
| **C5 Internal Exchange** | 3.36 | 4.03 | .018 |
| **C6 Reward Flexibility** | 3.25 | 3.83 | .039 |
| C7 Enabling Structures | 3.38 | 3.85 | .121 |
| C8 Environmental Scanning | 3.49 | 3.69 | .387 |
| C9 Inter Company Learning | 2.70 | 3.21 | .078 |
| **C10 A Learning Climate** | 3.51 | 4.16 | .004 |
| **C11 Self-Development Opportunities** | 3.46 | 3.96 | .056 |

It was expected that there would be some differences between the perceptions of management and staff in relation to the learning dimensions because management tends to have a more optimistic view of its performance than those do in the rank and file. The Means Table and the results of a One Way ANOVA test indicated that both between and within the groups there are some general differences. Characteristics 1, 5, 6, 10, and 11 all raised interesting questions.

The most striking difference in perception occurred over the question of a 'learning climate'. Managers in the sample felt they provided ample opportunity for support and learning by way of listening to the staff and conducting productive meetings and interviews. All managers interviewed held regular one on one interviews with staff and felt these enabled rising issues to be settled and personal or work problems to be thoroughly explored. Many managers acted in a general counselling role. However the staff perceptions of this characteristic were less positive, feeling the climate was not as forgiving and accepting as managers imagined. One interviewee even said, "If you are selling there's no problem, but if the sales fall off, the position is not comfortable!"

‘Internal exchange’ also showed an interesting difference, perhaps indicating that managers feel that there is more open discussion and chance for real office input than the salaried and sales staff feel or than there actually is. Managers may feel they are approachable when in fact they are not or they are not perceived in that way. One important aspect of real estate management is that in many cases managers still continue selling property in direct competition with the sales staff and in this case a conflict of interest appears to preclude open discussions.

A ‘learning approach to strategy’ is in many ways linked with internal exchange and differences here between staff and management suggest that discussions about where the office is going and how people can contribute are not perceived as effective by staff. Managers think they are providing these opportunities when in fact they may not be, except in the case of a few chosen individuals.

Differences in the area of ‘reward flexibility’ raise the question of staff discomfort in some offices with the level of commission splits and whether these are handled on an equitable basis. The question of whether top salespeople should get a higher proportion of each commission or a special retainer has been a contentious issue in real estate offices for some time. Perhaps the answer is more transparency and more clearly defined ways in which bonuses can be achieved. Staff interviewed also indicated they appreciated being rewarded in non-monetary ways. Most managers said they had ways of encouraging effort like providing staff outings and awards but there was an indication from the staff that this could be done more effectively.

In the area of ‘self development’ staff felt there was not enough management support and two interviewees said they felt little real encouragement to further their real estate qualifications. Managers on the other hand felt these opportunities were there for the individual to take up and that the responsibility was theirs. They believed they gave full support to self-development opportunities. However in the interviews the emphasis on making sales seemed to pervade the offices and this seemed inconsistent with making full use of time to develop self.

Looking deeper into the case of individual offices there were some other differences worth mentioning. In the case of ‘inter company learning’ it was clear some managers are just not aware of the amount of exchange that went on between salespeople from different offices or do not encourage it. In one way it is not in a manager’s interest to foster this interplay because there is always the fear of losing a salesperson to the opposition if the contacts become too fruitful and yet such contact can also help bring about more sales. In some cases there is genuine fear that close contact with another office would show the home office up in a comparatively bad light and cause lose of staff. This does happen and sometimes if one salesperson goes, others follow. The disastrous consequences for an office are clear. Some real estate managers act in a predatory way rather than the constructive, interactive way this particular Learning Company characteristic suggests is beneficial.

For ‘informating’ (use of technology) three managers scored under 2 showing that some managers are still not at ease with new advances in this area. In one office however there was a huge discrepancy between a staff score of 1.82 and a management score of 5! This indicates that in some of the offices there is a link with management competency in the use of information technology. If the manager is comfortable with new technological demands then the office is well supplied with the capability but ensuring staff makes full use of available information is another issue. Likewise if a manager is not technologically competent, the whole office can suffer.

## The Franchise Group

Tests were run to establish differences in response to the 11 learning dimensions between the two major franchise groupings. An ‘H’ group (Group 1) consisting of 87 respondents from 9 offices and a ‘C’ group (Group 2) consisting of 48 respondents from 9 offices were established. The results are displayed in Table 1.4 below.

**Table 1.4**

**Significance of Differences Between the Two Franchise Groups**

| | **H Group 1** | **C Group 2** | **Sig (2-tailed)** |
|---|---|---|---|
| C1 A Learning Approach to Strategy | 3.01 | 3.28 | .139 |
| **C2 Participative Policy Making** | 2.63 | 3.40 | .000 |
| **C3 informating** | 2.89 | 3.46 | .002 |
| C4 Formative Accounting and Control | 2.36 | 2.74 | .055 |
| C5 Internal Exchange | 3.32 | 3.60 | .113 |
| C6 Reward Flexibility | 3.16 | 3.52 | .051 |
| C7 Enabling Structures | 3.34 | 3.58 | .216 |
| C8 Environmental Scanning | 3.45 | 3.54 | .542 |
| **C9 Inter Company Learning** | 2.58 | 3.04 | .010 |
| **C10 A Learning Climate** | 3.42 | 3.73 | .033 |
| C11 Self-Development Opportunities | 3.50 | 3.52 | 0.911 |

Significant differences for 'Participative policymaking' (C2), 'Informating' (C3), 'Intercompany Learning' C9) and a 'Learning Climate' (C10) were found. This was further tested with Mann-Whitney test, which upheld the results and added a further difference worth noting for reward flexibility. Table 1.4 shows that the franchise Group 2 is more effective in inclusive policymaking and use of information technology. The offices in this group are more likely to inter act with their competitors and the general climate within this group of offices is more 'learningful'.  Group 2 respondents also perceive there is more variability of reward.  Therefore it can be said that Group 2 is more closely aligned with learning at the organisational level and thus perhaps more able to cope with future change especially in the area of information technology.

**The Interaction of Gender, Role in the Office and the Franchise Group (HC) with the 11 Learning Characteristics**

The multivariate test had merit because it offered a more realistic and complete explanation of how people working in real estate offices actually perceived the degree of learning. The purpose of the statistical tests was to answer questions like "If the gender has an impact on the assessment of the office learning, is it the same in all real estate offices? Or does it depend on the franchise group to which a respondent belongs?

**Table 1.5**

**The Interaction between the Three Dependent Variables on the 11 Learning Characteristics**

| Dependent Variable | Source | Sig. | Source | Sig. | Source | Sig. |
|---|---|---|---|---|---|---|
| a learning approach to strategy | GENDER & ROLE | .499 | GENDER & HC | **.005** | ROLE & HC | .363 |
| participative policy making | | .766 | | .204 | | .492 |
| Informating | | .471 | | **.050** | | .245 |
| formative accounting and control | | .195 | | **.014** | | .126 |
| internal exchange | | .349 | | **.010** | | .437 |
| reward flexibility | | .549 | | **.044** | | .477 |
| enabling structures | | .437 | | **.045** | | .524 |
| environmental scanning | | .215 | | **.001** | | .143 |
| inter company learning | | .521 | | **.025** | | .478 |
| a learning climate | | .720 | | **.037** | | .605 |
| self development opportunities | | .331 | | **.021** | | .454 |

From Table 1.5 above, it appears that the combination of Gender/Office Role (The gender of, and the position respondent's hold in the office) and HC/Office Role (where the respondent was working and his/her position in the office) had no significant impact on the 11 learning characteristics.

On the other hand, the set Gender/ HC (The gender of the respondent and where he/she worked) did appear to have a significant impact on the characteristics. For example a male in one office expressed his point of view on learning in a different way from another male in another different office. This difference also occurred amongst and between females and males, – in fact all possible combinations of gender and HC show significantly different perceptions for every learning dimension except ‘participative policy making’.

The table illustrates clearly that both gender and the franchise group in this study has an influence in the assessment of the learning characteristics when their interaction is considered.

### Relationship between Performance and Learning

A correlation test was produced to examine this relationship and to provide an answer to one of the study’s central questions – is learning and performance linked? Some interesting results emerged. There was a significant relationship at the 0.05 level illustrated in Table 1.6 over.

**Table 1.6**

**Correlation Between Learning and Performance Criteria**

| LC | Success Criteria | | | | | | | | | Perf |
|---|---|---|---|---|---|---|---|---|---|---|
| | V1 Incm | V2 Mkt | V3 Bus Skl | V4 Mang | V5 Recrt. | V6 Cult | V7 Rep | V8 Eth | V9Quals. | V0 |
| C1 | | | | | | | | | .045 | .040 |
| C2 | | .026 | | | | | | | .007 | |
| C3 | | .048 | .041 | | .020 | | | | .001 | |
| C4 | | | | | | | | | .019 | |
| C5 | | | | | | | | | | |
| C6 | | | | | | | | | .016 | |
| C7 | | | | | | | | | | |
| C8 | | | | | | | | | | |
| C9 | | | | | | | | | | |
| C10 | .015 | | | | | | | | | |
| C11 | | | | | | | .034 | | | .031 |

The "Office Performance" variable (v0) was found in a significant correlation with 'Learning Strategy' (C1) and "Self Development Opportunities" (C11).

From this it is appears that the 11 characteristics are linked to performance (v0), but with only two of them *directly* correlated. Because of the general coherence of the learning dimensions it is safe to say that the degree of learning in an office does indeed impact upon its level of performance.

High scores by some offices for the 11 learning characteristics indicated that organisational learning was indeed perceived by staff as occurring and interviewees reinforced this by giving examples. Another issue however, of whether there is a link between learning and performance proved less easy to establish on a purely statistical level mainly because there may have been some inconsistencies in the original method of CEO generated performance measurement. A more rigorous performance measurement based on ‘hard’ quantifiable data rather than perceptions may produce a group of offices that will enable a closer link with learning to be made in a future study.

## Conclusion

This study illustrated that organisation wide learning is happening in some real estate offices, however it is still in its early stages with exceptional offices leading the way. Most learning is seen as training and education or is informally based and called ‘experience’. The qualitative research highlighted the type of real estate organisational culture that supports organisational learning. In one office for example, teams working together on marketing efforts enabled information of all sorts to be gathered quicker and the pooling of ideas resulted in a more interesting innovative campaign. Commission splitting at the end to reflect input was regarded as successful. The experience in which everyone had a chance to use his/her particular talent was rewarding. Groups got together in another office to discuss the kinds of services that could be offered in an effort to get more clients. There was a definite feeling that management generosity about staff development and support given to individual efforts at relevant further learning (course fees, materials etc.) encouraged staff at all levels to contribute to the general development of the office.

In another office a manager said “Good ideas are always listened to” and he kept a library of learning material in the office so that people could learn at their own pace, especially by browsing through the professional journals. Amongst the franchise groups there were also attempts to put together databases and offer joint Internet services like mortgage advice that one office on its own could not provide.

However some barriers to learning in the offices emerged as a result of the interviews and as a by-product of the questionnaire itself, in the form of written comments. There was a feeling that the true ‘professional’ had already reached the required level of learning. The issues of inter company rivalry and competition seemed to severely limit any real learning between real estate offices. Even amongst offices in the same group where commercial sensitivity is not so pronounced the benefits to be derived from this kind of learning are not fully exploited. Because of the independent contractor status and the commission based earning of salespeople there is considerable tension between colleagues as well as competitors. Learning at the organizational level and personal success seems almost mutually exclusive. Competitive advantage is high on the agenda both personally and between companies. Collaboration can be seen as a weakness.

The organisational structure in most real estate offices is still very traditional. Strategic planning is still done mainly by the management. To what extent others are involved in the planning process seems to depend on individual manager’s attitudes and initiatives.

It was interesting to see how learning tended to be seen as a cost factor rather than an investment. This was calculated in ways like time away from selling and the cost of IT training courses. However there seemed no calculation for the cost in time and income incurred through lack of learning. Mistakes that happen due to lack of knowledge, clients lost due to absence of skills required for example. Individuals' attitude to learning depends on their own experiences. A large portion of respondents in the sample only went to high school and for many that experience may not have been positive so they saw extra learning as a chore. On the other hand many of the new breed of graduate entrants to the industry have developed a very positive view of learning; it is fun, enjoyable and challenging. This 'clash of cultures' can lead to a lack of mutual understanding misinterpretation, even breakdown of communication – and potentially become a serious barrier to realising the full potential of a real estate office.

There is no doubt that some of the activities going on in modern real estate offices go some way to meeting the 'Learning Company' model. New service mixtures would not have been thought of 10 years ago. But a new breed of recruit is needed now – one skilled in dealing with new and unfamiliar problems in a spirit of enquiry. This demands the readiness and on going ability to learn. Traditional methods of selection – take on a person and if they fail to sell get rid of them to the opposition – does not take time to assess these skills and abilities fully. Selection methods could include probationary periods and requirements to continue with qualifications – the introduction of an effective and compulsory professional development programme by the Real Estate Institute.

The education system that is beginning to turn out graduates in real estate will have to teach innovation, collaboration techniques and a wider view of business and the factors underpinning commercial success. The ability to think creatively and to find solutions is more important than mere knowledge application. Emphasis on teamwork and management/business skills is important with 'learning to learn' being a prime focus. Learning in the workplace should be recognized and to an extent new 'internship' programmes provide this link.

The research findings reinforce the message that the real estate qualifications should focus on technical, professional and business skills development. The 'learning real estate office' needs practitioners who are able to review critically existing practice and to learn from it. It is important that the Real Estate Institute moves towards compulsory Continuing Professional Development. The meaning of 'competent' has to be continually redefined and more explicit criteria are needed to judge whether a person is suited for entry into the industry.

Communication is always vital. Internal communication is key to strategy and the development of an organization as well as its members. Each individual in a real estate office needs to be aware of how they are involved in the office business and how their actions contribute to its success. This is where the key phrase of 'shared vision' comes to have real meaning.

Office size does not seem to increase the chance of learning and success, being large as many offices now are, tends to compromise flexibility although visibility and perception of success may be increased as seen in the study. Being small can mean a constant search for the economies of scale open to larger offices, but it can mean better adaptability.

In an atmosphere where competition seems more important than collaboration, many real estate offices can be little more than common facilities occupied by competing individuals. People need to keep up to date with changing skill requirements and offices as organisations need to be more open to the ‘systems thinking’ that is an integral part of the organisational learning concept. Such dynamic times in which such fundamental changes are taking place mean that real estate offices should search every avenue of potential competitive advantage. This study suggests the avenue of continued learning, not just training and/or education on an individual level, but also learning at the organisational level. It finds that in this way offices can develop as co operative and fulfilling environments, more likely to be able to adapt positively to change and in doing so confirm and advance their commercial performance.

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