

**“An analysis of Intellectual Capital within a social enterprise
context”**

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Abstract

The aim of this research was to undertake an analysis of how intellectual capital was employed within social enterprises. In support of this aim, following the literature review, three research questions were developed. These were developed to investigate how the individual constructs of intellectual capital (human, structural and relational capital) were employed within the organisation. The conceptual framework was introduced as a model adapted from Sveiby's (1997) intangible assets monitor and Kong's (2010b) intellectual capital constructs.

A comprehensive literature review was undertaken that identified the major academic concepts associated with intellectual capital and the contemporary academic issues associated with it. The research was undertaken in an interpretivist style and took a qualitative form. It used a case study method with document analysis, questionnaires and interviews used as the scientific instruments. It utilised a cross sectional approach with the researcher holding an insider position.

Findings gathered from the research were, after transcription, managed by the NVivo computer product. The findings were sought by examining the data according to the three individual intellectual capital constructs. Major findings were identified, relationships noted where appropriate and then evidenced according to each of the intellectual capital constructs.

These findings were then analysed in conjunction with the results of the literature review. They were argued for, where appropriate, in terms of their originality and contribution to knowledge and practice. Primarily this research argues that it has made contributions to knowledge by enhancing Sveiby's (1997) and Kong's (2010b) models (which were adapted to form this research's conceptual framework). In addition to this a number of contributions are argued for research question one. Specifically this research has developed Benevene and Cortini's (2010) and Mesa's (2010) research on training and experience within social enterprises. Kong's (2010b) research upon the concept of un-learning was also developed. For research question two this thesis argues for development of the concepts of innovation in social enterprises (Kong, 2010b), trust and its link to motivation (Reychav and Sharkie, 2010) and the effect of age and pace of social enterprises on intellectual capital (Kong and Ramia, 2010). With reference to research question three the development of Frooman's (1999) and

Fletcher et al.'s (2003) concepts of stakeholder management are proposed. Contribution to practice is argued for in respect of the cultural legacy of staff transferred into the organisation (Kong, 2010b), informal methods of performance management (Sillanpaa, 2010) and the need to more effectively manage stakeholder groups (Frooman, 1999; Fletcher et al. 2003).

The research concluded by stating that it had answered the individual research questions and had therefore met the overall research aim. Limitations, specifically around the age of the organisation, the small amount of extant literature available for intellectual capital within social enterprises and the cross-sectional nature of this research were highlighted. Further research avenues were stated as the need to empirically test the concept developments argued for in this research and the usefulness of researching intellectual capital in social enterprises from a different perspective, that is, from the customer or governance stakeholders.

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Chapter One – Introduction (The Theoretical and Organisational Context of the Research)

1.0 Introduction

This chapter introduces the focus of the study, its research aim and objectives and the structure of the thesis. The research aim is entitled “An analysis of intellectual capital within a social enterprise context.”

This research will seek to discover evidence of phenomena associated with intellectual capital within an organisation where intellectual capital has not been promoted or promulgated. The research takes place in a Welsh housing association the identity of which will remain anonymous (the internal documents referred to therefore will not appear in the references) and which is defined as a social enterprise. The organisation is introduced as one whose inception was in 2009 after the housing stock of a local authority was transferred to it along with a core of approximately 300 staff. The sector within which the organisation resides, that of social enterprise, is introduced and its relevance to the economy of Wales is discussed. Housing associations are defined in terms of their position within the third sector and what they are designed to provide in terms of service to the general public. Their importance to the Welsh economy is stated, in order to demonstrate the context within which the organisation operates. The research is of particular interest to this organisation for a number of reasons. As the organisation is new its people, structures and external relationships are not yet fully developed. This research will demonstrate elements of the organisation that are either barriers to, or facilitators of effective performance. An understanding of these elements will help the organisation become more competitive within the housing sector in Wales by developing the products and services actually required by its customers and then aligning its operations and resources to delivering them in the most efficient way. Whilst this is a large and complex organisation with many actors the mapping exercises undertaken in chapter two, section 2.6 demonstrates that its outputs are in align with those expected (by Welsh Government) of all the other housing associations within Wales. This suggests that the findings of this research are capable of being generalised across the housing sector within Wales and therefore have the possibility of developing advantage for any of the organisations within the sector.

Working definitions of knowledge management and intellectual capital are introduced and discussed in the context of this study and its relevance to the organisation. The difficulty inherent in providing a definitive definition for them is discussed and arguments are highlighted in relation to how important or otherwise it may be to make those definitions. It is accepted that knowledge management is a large academic domain made up of multiple and diverse disciplines. Firestone and McElroy (2003) highlight a number of knowledge management constructs such as organisational learning and complex systems theory. McElroy (2003) goes on to discuss further knowledge management disciplines such as codification, storage, retrieval, distribution and sharing of knowledge. Whilst all these knowledge management constructs are worthy of research, this thesis states that the size of the academic domain knowledge management has led the author to concentrate upon the discipline of intellectual capital. Intellectual capital will allow the thesis to analyse knowledge use within the whole organisation (by making use of identified intellectual capital constructs) rather than by specifically analysing an individual and discrete knowledge management discipline such as codification.

Ackoff's (1989) assertion that the appropriate use and management of knowledge within an organisation can demonstrate positive outcomes, a central tenet of this research, is highlighted. It is suggested that the positive outcomes of intellectual capital may lead to the concept of competitive advantage for the organisation. How this could be achieved through intellectual capital, that is superior performance from existing resources as highlighted by (Barney, 2001) is further examined and the issues of why this would be important to the organisation in terms of how it operates and what it provides to its customers are discussed. The importance of this research with reference to the contribution to critical thinking is introduced and discussed. Specific issues of the dynamics of intellectual capital and a need to identify how intellectual capital is used within the organisation, and how it is used by individual actors are also discussed. Contribution to professional practice is identified and any potential benefits gained are discussed in terms of the challenges facing the organisation and housing associations in general. The final part of this chapter provides an overview of the thesis structure.

1.1 Housing Associations

Housing associations are defined in a report by the Welsh Economy Research Unit (2008, pg. 2) as:

“...not-for-profit voluntary bodies formed to provide good quality, affordable homes for those in housing need. Improved quality of housing is linked with better health, economic opportunity, access to services and general quality of life for occupiers. Any surplus made from the renting or sale of properties is invested back into the organisation, providing more housing or maintaining the existing stock. HAs are managed by boards of volunteers; comprising professionals, local councillors and tenants.”

In contextual terms, housing associations are regarded as organisations such as charities, social enterprises, community groups, not-for-profit organisations, voluntary organisations and trusts as defined by the Cabinet Office (2004) and this research will major on the organisation’s status of a social enterprise. The efficacy of the third sector generally, and housing associations specifically, with reference to this research is captured by Evers and Laville (2004) who state their importance in facilitating the development of joint strategies and networked governance needed when turning private needs into public issues.

Vigoda-Gadot (2003) reasons that the third sector, and the amount of organisations operating within this sector, has increased with the need to improve levels of service to local customers. This fosters the expansion of social enterprises and recognises that this increase is related to the realisation that the state cannot be involved in every field of human life. Against this background of change from state delivered services to an extended or collaborative approach the Welsh Government published a report entitled Making the Connections: Delivering Better Services for Wales (2004). This report highlights Welsh Government’s decision to adopt a collaborative approach which may be deemed dichotomous as housing stock transfer organisations are effectively ‘spin-offs’ from local authorities. The report is at variance with Welsh Government’s dismissal of a competitive model of housing for Wales where they dismissed breaking up large-scale organisations into smaller bodies with delegated budgets and a greater degree of freedom as providers.

In 2008, the Welsh Government published the Affordable Housing Task and Finish Group Report (Essex, 2008). To summarise this report a number of aspirations and challenges for the housing sector in Wales were voiced. Essex (2008) specifically noted the shortage of affordable housing, to rent or to buy is one of the greatest challenges, facing many communities in Wales. Essex (2008) also raises a further challenge for housing associations within Wales, that of the physical condition of existing housing stock. Welsh Government introduced the Welsh housing quality standard as a vehicle to improve these standards with a policy of achieving these standards for all social rented housing stock providers, that is, properties owned by local authorities and housing associations, by 2012 and then maintaining those standards for thirty years. Essex (2008) indicated that the financial implications of achieving Welsh housing quality standard are immense (approximated at £7 billion over the thirty year plan). One of the benefits of transferring provision for social housing and its associated elements to the third sector generally, and to the housing association sector specifically was emphasised by Essex (2008) who posited that the proliferation of housing associations has helped the sector by initiating a more performance driven business culture. This itself has led to greater levels of accountability and to greater diversification of housing associations activities in order to increase incomes.

As part of Welsh Government's strategy of collaboration and in order for it to progress its housing strategy, the existing Welsh housing associations have recently been augmented by a number of voluntary stock transfers that have taken over the responsibility for the housing stock of existing local authorities. These stock transfers were voted for by tenants and allow more flexibility around raising the required funding to achieve the improved standards and then work towards the further aspirations of the Welsh Government housing strategy as outlined by Essex (2008). The organisation in this research is one such entity. To date a large percentage of the 22 local authorities within Wales have either transferred their housing stock to housing associations, or are in the process of doing so and these join the numerous actors already active in the social housing sector in Wales. These organisations are introduced to evidence competition within the sector for both status and grant thereby making the notion of competitive advantage important and further providing support

for this research into how competitive advantage may be gained through the use of intellectual capital.

1.1.1 Importance to the Welsh Economy

As a sector, Welsh Government asserts housing's importance to the Welsh economy through the Essex (2008 pg. 2) report where it is stated that 7.2% of all homes in Wales "fall under the auspices" of the housing associations operating in Wales. This equates to 95,000 homes. The report estimates that this figure will increase to 9.6% (127,000) of homes in Wales when the impact of stock transfers is factored in. At this stage, housing association housing stock is greater than that left in the control of local authorities. Economic activity in the form of 1,533 newly built homes is stated to have significant implications for the construction sector and associated businesses in Wales, and the employment of over 4,000 staff allows Welsh Government through Essex (2008) to posit that housing associations are significant economic players in Wales. This supposition is further backed up with figures that suggest that the total indirect economic impact of housing associations on the Welsh economy may be as much as £428 million, and to service this spending 8,747 full-time equivalent persons are employed by housing association activity.

These figures are included to demonstrate that undertaking research into this sector is valid, and that any possible contributions to professional practice through gaining competitive advantage via intellectual capital have a potential for positive impact upon the Welsh economy.

1.1.2 Challenges for the organisation

The organisation in this research is determined to provide a customer driven service which is delivered in the most efficient and effective fashion (this is espoused in its strategy document which is not referenced for the purpose of maintaining anonymity). This is in accord with the principle outlined by Essex (2008) of a "performance culture" and has been enshrined in the organisation's values and strategic priorities. This performance culture will need to be embedded as the organisation strives to achieve the Welsh housing quality standard, regenerate the community and seek to

provide appropriate levels of social housing. The organisation in common with other stock transfer housing associations is funded by Welsh Government through a social housing grant, revenue from tenants (including housing benefit payments from Central Government) and from funds raised through mortgaging housing stock (Essex, 2008). As a financial challenge the organisation will need to make good its obligations in regards to achieving Welsh housing quality standard by 2012 whilst ensuring that it undertakes its wider remit of regenerating the community. Scarce resources mean that the ability to do more with less will become increasingly important, hence the importance of competitive advantage gained through the appropriate use of intellectual capital assets.

1.2 Knowledge

Snowden (1998) posit that it is not necessary, realistic or sensible to devote time to defining knowledge. Parboteeah et al. (2010) appear to agree and state that the definition of knowledge has always been a contentious issue. It is of note that these views which demonstrate the inherent difficulty in defining knowledge are contemporary. In conjunction with the varied definitions of knowledge as uncovered within the literature, this suggests that multiple definitions of knowledge do in fact exist.

The relationship between information and knowledge is explored by Ackoff (1989). He seeks to describe the relationships between data, information, knowledge and ultimately, wisdom. This can be represented diagrammatically by the knowledge hierarchy demonstrated in figure 1. This figure is included here to introduce the relationship between data, information and knowledge and to reinforce the concept that it is knowledge and the use of that knowledge that gives an organisation benefits that may lead to competitive advantage.

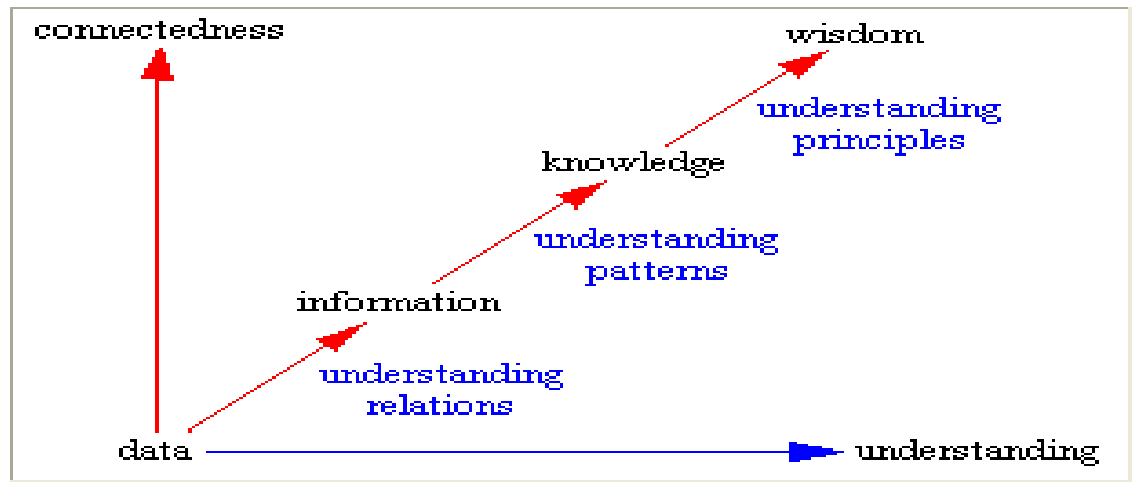


Figure 1 – Transition from data to wisdom (adapted from Ackoff (1989))

This thesis will accept, as a working definition, Ackoff’s (1989, pg. 5) definition of knowledge as:

“Knowledge is know-how, for example, how a system works. It is what makes possible the transformation of information into instructions. It makes control of a system possible. To control a system is to make it work efficiently...”

This provides an eloquent working definition of knowledge and supports the argument that the organisation, through effective management of knowledge may use that knowledge in pursuit of competitive advantage, and this would take place by ensuring that systems in place within the organisation are understood, improved and controlled. Nurmi (1998) supports this argument and suggests that knowledge must be acted upon in order to effect change within organisations and that without action information becomes passive and effectively not leveraged. The relevance of Nurmi’s assertion for the organisation being that unless knowledge held within it is used effectively it is effectively useless.

1.2.1 Knowledge Management

In the 1970s Bell (1973) made links between the increasing importance of knowledge and the emergence of the post-industrial society which Handy (1984) articulated as a change in the nature of jobs away from labour based industries to skill-based industries which in turn will themselves be replaced by knowledge-based industries. Webber (1993) enhances this definition and makes a link between knowledge and a requirement for individuals to make more use of it by stating that for the future, the

economy won't be about technology, it will be about the human mind. Drucker (2001) further defined this step change as a move to a "knowledge economy" where knowledge would be a key strategic resource.

As with knowledge itself, the knowledge management literature demonstrates a wide range of definitions. O'Leary (1998) asserts that knowledge management formalises the creation, access to and reuse of knowledge, typically held in a knowledge management system and made up of qualitative and quantitative data. Jacob (2003) offers the concept that knowledge management is linked to intellectual capital which forms the focus of this research. The extant literature highlighted a number of interesting views of knowledge management with regards to its maturity (both academic and practical work based) and its various complexities. Serenko et al. (2010) undertook a scientometric analysis of knowledge management and intellectual capital academic literature between 1994 and 2008. Their findings suggested that the required attributes (conceptualisations, theories, refereed journals, academic courses, productivity rankings and citation impact measures) which constitute an academic domain, were present. Although they did acknowledge that as an academic field knowledge management and intellectual capital could still be considered to be in their embryonic stages. Prusak (2001) and Jashapara (2004) highlight knowledge management's intellectual antecedents as being varied (economics, sociology, psychology and philosophy) and argue that a definition of knowledge management may never be resolved. Ma and Yu (2010) explain that this phenomenon exists due to knowledge management's high degree of interaction with other disciplines.

A number of given definitions make reference to the creation of competitive advantage for organisations that successfully implement and embed knowledge within them. Particularly Davenport and Prusak (1998) who tout knowledge as an organisational asset and Skyrme and Amidon (1998) who identify the practical opportunities that knowledge management can bring to an organisation. Indeed Kong (2010) and Ramirez (2010) go further and suggest that for not-for-profit organisations (such as the one featured in this thesis) the use of knowledge management and intellectual capital is pivotal to allowing competitive advantage through utilising existing resources in an effective and efficient manner. This statement is critical with respect to the organisation in this research and how it may achieve its stated

objectives with scarce resources. Cortada and Woods (2000) posit that the methods and models of implementing knowledge management within organisations vary from simple Intranet sites to complex knowledge management computer applications backed up with an embedded culture of knowledge management.

Nonaka and Takeuchi (1995) and Davenport and Prusak (1998) all state the need to recognise the difference between organisational information and knowledge. They highlight the need to embed a ‘framework’ for knowledge management within organisational routines, practices and norms. It is interesting to note that even at this stage in the evolution of knowledge management as a discipline, the distinction was being made between effective knowledge use and the realisation that technology was not the silver bullet that would enable effective knowledge management. Of further note is the polarisation of knowledge management implementations from, an implementation based simply around a technology solution, to the above authors culturally embedded approach. In support of this, Frappaolo (2006) asserts that knowledge management suffers from both incorrect implementation practices and software vendors majoring on technology and ignoring the complexities involved with knowledge management.

Lehner and Haas (2010) argue that whilst knowledge management can give “positive experiences” there has been insufficient examination of the success factors of knowledge management, and as such it is still, currently difficult to ascertain if knowledge management within individual organisations is having a positive effect. Feng et al. (2004) supports this assertion by stating that minimal empirical evidence exists to support the positive effects of knowledge management implementation in conjunction with organisational improvement. O’Dell and Grayson (1998) eloquently suggest that some companies value the acquisition of knowledge, but then fail to capitalise on it by not sharing or disseminating the knowledge within the company.

The definition that has most relevance for this thesis, as it acknowledges the differences in types of knowledge and the organisational relevance of knowledge management, was espoused by Snowdon (1998, pg. 63) as follows:

“Knowledge management can be defined as the identification, optimization, and active management of intellectual assets, either in the form of explicit

knowledge held in artefacts or as tacit knowledge possessed by individuals or communities. The optimization of tacit knowledge is achieved through the creation of communities to hold, share, and grow the tacit knowledge. The active management of intellectual assets is the creation of management processes and infrastructure to bring together artefacts and communities in a common ecology that will sustain the creation, utilization, and retention of intellectual capital.”

The extant literature for knowledge management which has evolved over the last 15 years and which continues to proliferate, lists many of the components and elements that academics suggest make up the whole spectrum of knowledge management itself. The components highlighted in this chapter are by no means exhaustive and are intended to highlight the complexity and sheer breadth of the academic domain that is knowledge management. Therefore, in order to condense research to a manageable level this thesis will concentrate on the intellectual capital discipline which is a significant element of knowledge management. The reason for choosing intellectual capital for this thesis is outlined in paragraph 1.0.

1.3 Intellectual capital

The literature suggests that the term intellectual capital was used as early as 1969 (Bontis, 1998). Much extant literature was found to be available. Notable authors include Sveiby (1997), Bontis (1998 and 2002), Kong and Prior (2008), Kong and Ramia (2010) and Kong (2010 and 2010b). Authors who have researched intellectual capital specifically within the social enterprise sector include Evers and Laville (2004), Kong and Prior (2007), Mesa (2010) and Kong (2010b). It is of note that there is some dispute as to whether intellectual capital has proved useful within organisations. This is in spite of the length of time it has been around, and the amount of academic research already undertaken in the discipline, and in common with knowledge and knowledge management, dispute over whether there is a commonly accepted definition of intellectual capital. Dumay (2009) posits that after many years of academic attention this is still no commonly accepted definition of intellectual capital. Indeed Dumay (2009) goes on to suggest that intellectual capital may not have translated well from a concept to an organisational benefit and calls for further work to attempt to demonstrate its usefulness and relevance to organisations.

The following definitions are generally congruent in that they highlight knowledge is held within the organisation's people, processes and relationships, and they will allow a working definition of intellectual capital appropriate for this research. These definitions are included to demonstrate that it is generally accepted that the components of intellectual capital include people (human) elements, structural (process and strategy) elements and relational (stakeholder interaction) elements. Additionally these definitions demonstrate the possible link of competitive advantage gained by the successful application of intellectual capital and further suggest the relevance of this research by identifying a paucity of previous research in this area. Bontis (2002, pg. 440) defines intellectual capital as:

“...the collective knowledge that is embedded in the personnel, organizational routines and network relationships of an organization.”

Edvinsson and Malone (1997, pg. 35) describe intellectual capital as:

“...the possession of knowledge, applied experience, organizational technology, customer relationships and professional skills that provide... a competitive edge in the market.”

Kong (2010b, pg. 99) states that intellectual capital is applicable to all organisations, including not-for-profit organisations such as the one studied in this thesis and does go on to caution that *“Very little research has investigated the role of intellectual capital in innovation processes in social enterprises.”* McCann and Buckner (2004) highlight the importance of appreciating what it means to strategically manage knowledge within organisations, and Kong (2010b, pg. 162) posits that an acceptable form of conceptualising this knowledge in social enterprises, that is an organisation such as the one in this thesis, is *“...through the lens of intellectual capital”*. Concentrating upon intellectual capital, narrows the field of research and will prove relevant to the housing organisation within the thesis. Kong's (2010b) assertion that intellectual capital is important to organisations that are social enterprises adds weight to the relevance of this research for this sector. Kong's research also provided some evidence of linkages between intellectual capital and adding value to the organisation, where intellectual capital was in use within an organisation again supporting this research's suggestion that effective intellectual capital usage can lead to advantage. Kong (2010b) defines intellectual capital as being made up of three distinct

components – human capital, relational capital and structural capital. Reed et al. (2006) proposed the same three components, although they named them slightly differently as human, organisational and social capital. Lehner and Haas (2010) have proposed different components, grouped as dimensions, namely human being, organisation and technology. For the purpose of this research Kong's components will be utilised.

1.3.1 Human capital

Described by Kong (2010b) as relating to the human resource elements of an organisation, and typically linked to attitude, competencies, skill and experience, innovation, ability and talent. Organisational elements such as entrepreneurship, leadership skills, professional knowledge and the ability to innovate were also highlighted as important. Bontis et al. (1998) highlights talent, skills, tacit knowledge, creativity and innovation of the organisation's people as important human capital elements. How the organisation wishes to value its staff can be seen by the values it has adopted. The organisation in this research states that it expects its staff to be fair, innovative, respectful, sincere and trustworthy to all stakeholders. This will prove beneficial to breaking down barriers and allowing knowledge exchange if managed correctly. Prusak (2001) assigns value to this approach by stating that organisations need to move away from thinking that employees and training programmes are expenses to looking at them as investments. The knowledge held by the organisation's staff that will be the most useful element of its human capital is likely to be tacit in nature. Tacit knowledge is defined by Joia and Lemos (2010, pg. 410) as *"...difficult to express in formal language, comes from experience, perceptions and individual values and depends on the context in which it is generated."*

This accords with the organisation's staff many of whom transferred to it from the council at the time of stock transfer and who between them have a wealth of knowledge of the systems, products and customers of the organisation.

1.3.2 Structural capital

Structural capital for the organisation in this research refers to elements such as strategies, policies, procedures and repositories of knowledge. Kong (2010b, pg. 163) defines structural capital as:

“...the non-human storehouses of knowledge in the organization, such as databases, process manuals, strategies, routines, culture, publications and copyrights which creates value for the organization, thus adding to its material value.”

For the organisation this will include its computer applications and its procedures, policies and regular information giving publications, all of which are distributed via an intranet system. Knight (1999) asserts that as these are internal organisation resources, they should be easier to manage. Birkinshaw et al. (2008) and Kong (2010b) stress the importance of organisational culture within this intellectual capital element and posit that a culture of relative freedom to pursue novel ideas can add to organisational value.

Again, this accords with the organisation's internal values. Kong's (2010b) above definition accords to Joia and Lemos' (2010) understanding of explicit knowledge, that is knowledge that can easily be structured and codified allowing for easier transmission and use within the organisation. This structured, explicit knowledge is easier to manage than tacit knowledge (i.e. that which is harder to classify and represent) but it must be remembered that tacit knowledge is important and is often thought of as more valuable than explicit knowledge.

1.3.3 Relational capital

Kong (2010b) states that relational capital represents an organisation's relations with its external stakeholders and the perceptions they hold about the organisation. Kong goes on to argue that an organisation is likely to provide innovative and better products or services if it has learned what external stakeholders really need. Kong's argument is extended to include the importance of relationships with third party agencies. For the organisation in this research, this would include the local council, Welsh Government, other housing associations and its lenders (that is the consortium

of banks that provided the mortgages that the organisation needed in order to fulfil the capital funding requirements of its Welsh housing quality standard mandate). In support of Kong (2010b), Kristoffersen and Singh (2004) assert that mutually satisfying relationships between customers and the organisation can only be built when the organisation fully understands what the customer wants from the relationship. A further proposed benefit of interacting with partners and stakeholders was posited by Al-Hakim and Jin (2010). They propose that frequent knowledge exchange between social enterprises and stakeholders aids the challenge of existing knowledge and leads to new knowledge creation around innovation processes.

These assertions of needing to know what the customer wants is adequately espoused in the values of the organisation in terms of wanting to be the first for people, places and partnerships, and in the numerous working groups in place that are made up of customers. However Knight (1999) provides a warning that as stakeholders are external there are difficulties in managing, codifying and controlling knowledge created in this area.

1.4 Competitive Advantage

In the context of this research, competitive advantage is of importance mainly due to issues of practice in as much that by identifying efficiencies in its operations the organisation may deliver improved services at reduced costs. The extant literature revealed that much research has been undertaken in the field of competitive advantage within organisations. Generally regarded as positive for the organisation that achieves it, the definitions found for competitive advantage suggest that it is secured by the organisation that can either undertake its activities at a lower cost than its rivals, or delivers a product or service that is differentiated. Porter and Millar (1985) propose that competitive advantage is gained over rivals either by performing activities at a lower rate or in a way that adds more value to the products. These two proposed possible methods of achieving competitive advantage are then further defined by Porter and Millar (1985, pg. 79) as:

“A company’s cost position reflects the collective cost of performing all its value activities relative to rivals. Each value activity has a cost driver that determines the potential sources of a cost advantage. Similarly, a company’s ability to differentiate itself reflects the contribution of each value activity towards fulfilment of buyer needs.”

Li and Zhou (2010) give a definition of these components of competitive advantage as consisting of cost drivers such as scale, capacity and process management and differentiation drivers where the organisation is consistently seen as superior to competitors. Knowledge and specifically intellectual capital can be seen as a resource that could be used by housing associations to either lower cost through its understanding of its operating costs, or to differentiate its products and services by knowing what exactly the customers want from the organisation. In accord with this Lonqvist et al. (2009) argue that knowledge has become the primary competitive asset for organisations and as such they should seek to strategically manage their intellectual capital. This theme of utilising intellectual capital to gain competitive advantage could be seen in much of the body of intellectual capital literature. With reference to the organisation this would see it critically reviewing its operations to ensure that cost efficiencies are being capitalised upon, and that it is sure it knows what products and services its customers want. Through the lens of intellectual capital, that is, looking at the human, relational and structural aspects of the organisation, this requires analysis of the activities the organisation undertakes well. Additionally an analysis of what elements of best practice may be found within the organisation, identifying areas where knowledge management and intellectual capital appear to be in use and identifying areas that would benefit from the introduction of an intellectual capital approach.

Whilst this research majors upon the premise that an organisation that utilises intellectual capital successfully may gain competitive advantage it should be noted that this could be extended to the concept of strategic advantage. This concept is defined by Kong (2010b) as the utilisation of resources to allow strategic renewal and the ability to create new, future strategic direction and opportunities for the organisation. This is in contrast to competitive advantage that looks to operate more efficiently and add value to its products and services. This research accepts that the concept of strategic advantage is an important one for organisations. It is important to

the organisation in this research as it is a relatively new organisation and would benefit from an innovative strategy that utilises knowledge resources to quickly position itself within the sector as a housing association that customers would wish to utilise and engage with. It is of importance to the sector as social enterprises per se need an agile and innovative strategic approach to delivering services to those in need where funding and resources to deliver are limited.

In relation to intellectual capital, the concept of strategic advantage would need to encompass each of the intellectual capital constructs. For human capital strategic advantage may be gained from attracting the best staff into the organisation, retaining them and allowing them to develop through comprehensive and coordinated training interventions. Structural capital would give strategic advantage by utilising efficient processes, developing objectives that are clearly linked to the organisational strategy, encouraging and rewarding innovation and by utilising the most current technologies to automate tasks wherever possible. Relational capital would give strategic advantage by allowing effective partnerships to be developed with other organisations in order to deliver specific services and by developing an open and transparent relationship with customers and other major stakeholders. Just as for competitive advantage, for this approach to be fully effective and strategic advantage to be achieved each of the three intellectual capital constructs needs to be developed holistically and not separately.

1.5 Research Aim

Primarily this research seeks to fill a gap in the academic literature and practice associated with the use of intellectual capital within social enterprises and specifically within housing associations. Intellectual capital and its elements need to be defined and mapped within the organisation in order to determine if it is in use, and how it is being used. The elements of intellectual capital employed with reference to the various performance elements within the organisation must be analysed and assessed against the human, relational and structural intellectual capital elements. The above identified areas must then be analysed in light of intellectual capital in use as discovered by the research and where links exist, must be defined and highlighted in

order to add to the academic literature, and to be developed in order to improve practice within the organisation. Therefore, the subsequent data collection and discussion of findings was structured in a manner that will aid this research's attempt to meet these research aims. Additionally this research aims to identify a range of implications and recommendations around the use of intellectual capital within housing associations and to highlight possible future research that will further develop the the concept of, and practical use of intellectual capital within the housing association, and by association, social enterprise sectors. To recap, the aims of this research are as follows:

- Fill a gap in the academic literature by analysing the phenomena of intellectual capital within housing associations (see section 6.2)
- Identify and analyse the elements of intellectual capital within the organisation, by intellectual capital construct (see sections 5.2, 5.3 and 5.4)
- Identify any limitations associated with this research (see section 6.4.1)
- Identify further research relevant to intellectual capital within housing associations (see section 6.4.2)
- Identify practical interventions to improve practice within the organisation (see section 6.3.2)
- Highlight any implications associated with the research of intellectual capital (see sections 6.2 and 6.3)

1.6 Contribution to Critical Thinking

The academic literature search for knowledge management and intellectual capital within social enterprises produced some results and for housing associations produced few results. However much extant literature and research was returned around knowledge management and intellectual capital per se. Likewise, a large body of literature was uncovered for housing associations in terms of the sector they operate in and relating to specific issues of policy and practice. Given the paucity of research specifically undertaken against knowledge management and intellectual capital within housing associations the argument for undertaking this research is strengthened.

Whilst much of the literature portrays the current thinking around intellectual capital as theoretically positive there are dissenting opinions that suggest that this does not translate into positive effects within the organisations that have implemented an intellectual capital approach. O'Dell and Grayson (1998), Feng et al. (2004), Lehner and Haas (2010) all question the benefit that intellectual capital has demonstrated within organisations.

This research analyses the employment of the constructs of human capital, structural capital and relational capital in a new and novel area. A number of academics commented through the literature that the academic domain of intellectual capital would benefit from further research, and this adds weight to the efficacy of this thesis. These include Dumay (2009), Kong (2010b) and Serenko (2010). In particular Serenko et al. (2010) highlighted that as an academic domain intellectual capital was in its embryonic stages and Kong (2010b) stated that very little research has investigated the role of intellectual capital in innovation processes in social enterprises.

Dumay (2009) proposed that the field of intellectual capital suffers from little actual activity. Concerns were also raised by Ruggles (1998) and Skyrme and Amidon (1998) that few intellectual capital initiatives gave the intended results, with many stopping with the installation of a technical solution that misses out on the greater benefits of an embedded intellectual capital approach where both explicit and tacit knowledge is captured and managed giving overall better results. It is against this background of the above current thinking that this research seeks to contribute to the literature and contribute to critical thinking. Hislop (2005) identified several organisational dynamics that were important to the success of knowledge management initiatives. These dynamics include size (number of employees), dispersed and fragmented knowledge bases, and the sociocultural issues involved with the resulting communication and interactions. National characteristics, that is, how cultural issues affect how knowledge is shared and the power / conflict relationships across boundaries are also demonstrated to be important factors. Sveiby (2007) suggests that it may be more useful to investigate intellectual capital in practice than to develop further theories and concepts.

This position is agreed with by Dumay (2009) who extends this line of thinking by adding that future research would be beneficial if it were to focus on the phenomenon of intellectual capital and report on experiences of it in action. Therefore, this research concentrates upon identifying elements of intellectual capital in action (across the intellectual capital components of human capital, structural capital and relational capital), the actors that make use of intellectual capital concepts and the attempted discovery of links between this use and any evidence of competitive advantage in the relative work areas. Whilst primarily seeking to use this analysis for the contribution to critical thinking, the work areas discovered by this analysis proved useful as areas to be researched in order to make a contribution to professional practice.

1.7 Contribution to Professional Practice

Section 1.1.1 stated the challenges that the organisation will face in delivering the products and services that are both demanded (the Welsh Government's requirements to regenerate communities and achieve Welsh housing quality standard) and expected (excellent customer service and operational efficiency) of it. Concurrent with the need to analyse the employment of the intellectual capital constructs within the organisation is the wish to improve professional practice (in this instance how intellectual capital is used) within the organisation. Here, the complex everyday operations of a housing association (Essex, 2008) have been grouped into five headings of performance reports and targets, capacity building initiatives, community development and support, management information, information for external purposes, and a total of 27 identified work flows have been assigned to them according to perceived relevance. Analysis of each of the intellectual capital constructs was undertaken in order to ascertain what intellectual capital activity is taking place within them. This allowed intellectual capital activity to be identified and analysed and identified if this activity is acting as either a facilitator or barrier to performance.

In support of the above, Hislop (2005) outlines the relevance of understanding how knowledge is 'moved' around the organisation (power, conflict and information sharing), and in capturing tacit knowledge and attempting to codify it and make it explicit, which is proposed to give organisational benefits. Likewise, the proposal to identify barriers and facilitators is in accord with Davenport and Prusak (1998) who are proponents of the need to embed intellectual capital techniques into an organisation's culture, and who are keen to ensure that intellectual capital is thought of as more than just a technological implementation.

1.8 Overview of major research steps

In order to aid understanding and navigability of this research, chapter content in respect of major points of note is offered to demonstrate the major research components and the chapters where they may be found. Chapter one introduces the focus of the research and highlights its importance to the Welsh economy. It is stated that little extant literature was found relating to intellectual capital within social enterprises and housing associations particularly. The chapter concludes by stating that the research will make a significant and original contribution to theory and practice. In chapter two, through a comprehensive literature review the major elements of intellectual capital are highlighted and contemporary developments within the academic domain are discussed. Specifically, it is stated that multiple academic definitions for intellectual capital are found and these are dichotomous. Development of the conceptual model commenced and it is introduced with reference to the data that will need to be collected in order to pursue the research questions.

Chapter three states that the research will be undertaken in an interpretivist style and complementary research methods are discussed. Further it is stated that a case study approach was taken with data collection being made up of the instruments of document analysis, questionnaires and interviews. A cross-sectional approach is taken with the researcher having an insider status. It is identified that 35 questionnaires were administered (10% of the organisation) and that the early responses from them allowed development of the interview questions which were then administered to eight of the organisation's senior management team.

It is further stated that transcription and analysis of the collected data was undertaken with the NVivo computer product. Chapter four discusses the findings as highlighted from the data. The approach to coding is introduced and it was stated that upon its completion 192 NVivo codes had been developed. An NVivo cloud tag is used to diagrammatically represent the data in order to visualise those codes that were multi-referenced. Biographical data on respondents is highlighted in order to evidence that a valid cross section of the organisation had been part of the data collection exercise. Findings in relation to the research questions were then discussed and a 'journey' was made through the codes associated with each of the intellectual capital constructs. Codes of interest were highlighted at the point in the thesis where they were discussed, but a number of recurring themes became worthy of further discussion and it was these codes (also referred to as NVivo nodes) that are then analysed in chapter five.

In chapter five, analysis of the data is undertaken. Each of the intellectual capital constructs is dealt with individually and identified elements are discussed in relation to themes identified in the literature review as demonstrated in chapter two. Additionally, the conceptual model used within the research is discussed and argued for as being useful and forming a sound base for further research into intellectual capital in social enterprise organisations. The chapter concludes by demonstrating the contributions to theory and practice argued for by the analysis undertaken in this research. Chapter six concludes this research by stating that the research questions have been answered, and thus the research aim had been fulfilled. The major contributions to both theory and practice are stated and research limitations and suggestions for future research are introduced.

1.9 Chapter Summary and Conclusion

The identified research aim is stated and this chapter introduces research for a doctoral thesis which analyses the use of intellectual capital within a social enterprise organisation, and analyses how that organisation employs human capital, structural capital and relational capital. In order to set the context, the organisation, is introduced along with the sector it resides in, and the challenges it and other housing associations face. To demonstrate why competitive advantage could prove useful in 'real', financial, terms the financial contribution of the housing sector in Wales is demonstrated alongside the mandate for improvement held by the organisation. The concept of knowledge is introduced, along with the academic domains of knowledge management, intellectual capital and competitive advantage. Whilst wholly agreed definitions for these domains were not found, the literature did provide enough evidence to support working definitions (section 1.2, section 1.3 and section 1.4). These are useful for the purposes of this research, and it is noted that these domains were quoted by some academics as being in the early stages of their academic development, and the academic research was not always congruent with how they had translated from theory into operational performance.

The many components that comprise knowledge management were touched upon (briefly, as this thesis could not sustain investigation into all of them), along with the breadth of those elements and their associated complexity, and intellectual capital was stated as the knowledge management discipline that this research would analyse. The constructs of intellectual capital (human capital, relational capital and structural capital) are introduced along with their relevance to the organisation, and their value to the research. Section 1.6 summarises a number of concerns identified by the literature in terms of paucity of research, the need for more qualitative research around intellectual capital, issues of conceptual plurality and this thesis' own assertion that little research has been undertaken specifically around intellectual capital within housing associations. Conceptual plurality is a term used by Nonaka and Peltokorpi (2006) where they identify the challenge of establishing intellectual capital as a discipline as it and knowledge management in general evolved from many theories rather than from a coherent theoretical base.

It is stated that this thesis will make a significant and original contribution to both theory and practice and chapter two outlines a comprehensive literature review associated with the academic domain of intellectual capital.

Chapter Two - Literature Review

2.0 Introduction

This chapter is presented in two sections. The first (section 2.1) deals with the theoretical considerations of the research and the second (section 2.6) with the practical considerations of undertaking the research in the context of a social enterprise. Intellectual capital is demonstrated to be subject to multiple definitions and an argument is given to utilise as a working definition, for the purposes of this research, Edvinsson and Malone's (1997, pg. 44) proposition that intellectual capital is:

“...the possession of knowledge, applied experience, organizational technology, customer relationships and professional skills that provide... a competitive edge in the market.”

The chapter précis a comprehensive literature review that focuses primarily on intellectual capital (section 2.2) and secondarily on competitive advantage (section 2.3) and housing associations (section 2.4), although it must be noted that these secondary functions are dealt with briefly in order to inform and provide contextual definitions suitable for the purposes of this research. The dominant theories relating to intellectual capital in terms of how the academic discipline has evolved and relates to contemporary issues are identified and then discussed.

Intellectual capital is reviewed in regards to its antecedents which have led to its current academic position. It is demonstrated to have developed from a number of other disparate academic disciplines by Ponzi (2002) and Ma and Yu (2010), has been identified in academic literature for around 40 years Litschka et al. (2006), has the required concepts in place to qualify it as an academic domain, but is still considered academically embryonic by Serenko et al. (2010). To help demonstrate its development a timeline for intellectual capital as proposed by Petty and Guthrie (2000) is displayed in table 1. The plethora of intellectual capital proposed academic definitions are discussed and the dichotomy between them is examined.

The chapter charts the development of intellectual capital and highlights a number of concerns by academics that there is a requirement for the discipline to move away from a stance of being practitioner led as stated by Marr and Chatzkel (2004). It demonstrates the requests for more empirical research into the field by Petty and Guthrie (2000) and Dumay's (2009) assertion that rather than develop additional intellectual capital theories, rigorous testing of those already developed would be more beneficial. This is an important statement with relevance to the efficacy of this thesis, as it proposes to analyse intellectual capital utilising a conceptual model adapted from two previous intellectual capital models (this is demonstrated in table 13). Intellectual capital and its links to intangibility are introduced by Caddy (2000) and the links between the importance of intangible assets, which remain important throughout this research, and competitive advantage are introduced (see section 2.2.3). The literature review highlights a number of intellectual capital themes that have attracted a large amount of academic attention (as identified by the Scientometric analysis undertaken by Serenko and Bontis (2010)) and these are discussed in the context of this research.

The measurement of intellectual capital is demonstrated to be important both in the literature and important in relation to this research. In order to set the context of intellectual capital a timeline of measurement models (see table 2) is introduced (Sveiby, 2010) and those as identified as exemplar (Petty and Guthrie, 2000) are subject to further discussion. For the purposes of this research Sveiby's (1997) intangible asset monitor has been adapted along with Kong's (2010b) three intellectual capital constructs to be utilised as this research's conceptual framework. This conceptual framework may be seen in table 13, and shows how Sveiby's (1997) intangible assets monitor has been adapted with Kong's (2010b) intellectual capital constructs. Intellectual capital and its position within the third sector (the sector in which the organisation used in this research is located) is examined and found by Kong (2010b) to be applicable to not-for-profit organisations particularly where the distinction between profit maximisation and value creation (for not-for profit organisations) has been stated.

The chapter continues by describing a secondary literature review relative to competitive advantage. This review is brief and undertaken primarily to provide a suitable working definition for use within this research. A number of academic definitions are introduced by Barney (1991), Kong and Prior (2008) and Weerawardena and Mort (2008) which support the assertion that competitive advantage may be accrued by an organisation that either provides differentiated service or products, or undertakes its operations in the most effective manner. Barney's (1991) classifications of competitive advantage are discussed and the synergy between them and Kong's (2010b) intellectual constructs are identified. The value of intangible assets are again highlighted by Martin-de-Castro et al. (2006) and an assertion made that as housing associations have to operate with similar resources (Essex, 2008) it is how these resources are used within the organisation that leads to competitive advantage. Thus the use of intellectual capital is posited as being one organisational element capable of providing this advantage.

A further brief review of the secondary subject of housing associations (see section 2.4) is undertaken. Their history is discussed in the context of this research and reasons for their proliferation in Wales are outlined. Further reasons that enhance the importance of competitive advantage to housing associations and the organisation in particular are presented in terms of the size, scope and operating constraints of the housing association market in Wales.

The practical context of this research (section 2.6) is examined with the aim of identifying the areas within the organisation where intellectual capital may reside, and where analysis can be focused. Initially, focus rests upon the service areas and performance measures stated as generic, that is, found in all Welsh housing associations, by Welsh Economy Research Unit (2008) and highlighting the elements (processes and working practices) associated with them. Having identified these generic service areas and performance measures their applicability to the organisation is tested, and the chapter links the processes and working practices present to these and in doing so the structure and organisation of the organisation is introduced. These areas, measures and links are demonstrated in tables 5 to 10 and are considered important to this research as they highlight areas around which to develop and refine data collecting questions.

The generic working areas proposed by Welsh Government are seen to be congruent with those of the organisation. To further facilitate the research and analysis the functional areas of the organisation are mapped according to the generic service elements. This mapping will facilitate future comparison and analysis to be focused upon the correct functional area within the organisation. Organisation service areas and performance measures in the context of Kong's (2010b) intellectual capital constructs are identified (table 10), and a mapping exercise is undertaken, the purpose of which is to allow classification of these areas in line with the human, relational and structural definitions, which will aid the identification of intellectual capital as the research develops. This will importantly identify specific questions to be developed that are then used in questionnaires and interviews to elicit how the intellectual capital constructs are employed with the organisation.

Sveiby's (1997) intangible assets monitor is introduced as the model that will be utilised to identify intellectual capital in use externally, internally and structurally (table 11). A further mapping exercise is undertaken in order to make the overall picture complete in terms of linking the model with Kong's (2010b) constructs. This exercise allows the development of a conceptual framework suitable for this research from the adapted models of Sveiby and Kong and is demonstrated in table 13.

2.1 Definition of intellectual capital in this context

Whilst Dumay (2009) cautions that there is still no commonly accepted definition of intellectual capital it is felt imperative to this research that a working definition is agreed upon in order to contextually frame the research and resulting analysis. Dumay's statement is argued for by this research due to the numerous and varied definitions of intellectual capital that were uncovered by a search of the extant literature. The definition chosen for this research will be that of Edvinsson and Malone (1997) where intellectual capital is defined as:

“...the possession of knowledge, applied experience, organizational technology, customer relationships and professional skills that provide... a competitive edge in the market.”

The justification for this choice of definition of intellectual capital is that it encompasses the constructs of intellectual capital (introduced by Kong (2010b) and stated in paragraph two as central to the theoretical model utilised by this theses). Additionally it alludes to competitive advantage, which is in congruence with the overall stated academic question proposed by this thesis. Kong (2010b) goes on to propose and define three constructs that make up intellectual capital, and it will be these constructs that will be utilised throughout this research. Kong acknowledges Roos et al. (1997), Stewart (1997) and Bontis (1998) for their identification of these constructs.

Human Capital

Kong (2010b) describes human capital as relating to the human resource elements of an organisation and typically linked to attitude, competencies, skills, experience, innovation ability and talent. The most useful of this collective knowledge is likely to be tacit in nature, which Joia and Lemos (2010) describe as knowledge that is difficult to express formally, and that comes from perceptions and the context from where it is generated.

Relational Capital

Relational capital is described by Kong (2010b) as representing an organisation's relations with its external stakeholders and their perceptions of the organisation and states its relevance by arguing that it is important with regards to how an organisation relates to and services its stakeholders. Whilst Knight (1999) warns of the complexities of attempting to manage, codify and control knowledge created by external stakeholders, Kong's assertion is supported by Kristoffersen and Singh (2004) and Birkinshaw et al. (2008) who concur with the benefits of building relationships with external stakeholders and frequently exchanging knowledge with them.

Structural Capital

The final intellectual capital construct, structural capital is defined by Kong (2010b, pg. 166) as:

“...the non-human storehouses of knowledge in the organization, such as databases, process manuals, strategies, routines, culture, publications and copyrights which creates value for the organization, thus adding to its material value.”

Birkinshaw et al. (2008) and Kong (2010b) both stress the importance of organisational culture within this construct and posit that a culture of relative freedom to pursue novel ideas can add to organisational value.

These three intellectual capital constructs, which with Sveiby's (1997) indicators, make up the theoretical model utilised within this research. As such they form an important aspect of this research, and will be used to classify the service areas and performance measures to allow the practical data analysis to remain congruent with the theoretical requirements of it.

2.2 The Intellectual Capital Literature

Chapter one identified numerous avenues and academic domains (section 1.3) that are pertinent to intellectual capital and deemed worthy of further research. Thus an expanded literature review was undertaken that paid particular heed to the validity of the literature sources, and the time frame they were produced in, so as to ensure the research is academically both valid and contemporary. This review concentrates upon the dominant theories of intellectual capital (section 2.2.1 to section 2.2.12). In line with Hart's (1998, pg. 174) relevant literature review criteria, this review will seek to:

“...show a clear understanding of the topic”, ensure that “all key landmark studies have been cited and discussed”, “shows the variety of definitions and approaches to the topic area”, “reaches sound recommendations using coherent argument that is based on evidence” and “shows a gap in existing knowledge.”

Intellectual capital has been subject to a number of scientometric studies including Petty and Guthrie (2000), Serenko and Bontis (2004) and Serenko et al. (2010). These proved useful in setting this research's context with regards to useful academic journals relating to intellectual capital, highlighting a number of the dominant theories and identifying the contemporary and seminal authors in the intellectual capital discipline.

2.2.1 The History of Intellectual Capital and its Antecedents

In order to understand how intellectual capital developed as a concept, to understand the dominant theories which shaped it and are still driving its development, it was necessary to look to the literature to gain insight into the history of intellectual capital, and to acknowledge the other academic disciplines from which it emanated. Therefore, the literature review initially focused upon its history. Intellectual capital is a component of knowledge management as identified by Serenko et al. (2010). Bontis (1998) notes the use of the term intellectual capital in 1969 when John Kenneth Galbraith used it in a letter to the economist Michael Kalecki. Serenko and Bontis (2004) state that the ABI Inform Index first recorded the term knowledge management in 1975 and in the same year Feiwel (1975) wrote a book entitled 'The Intellectual capital of Michael Kalecki'. Aligned to this time frame Bell (1973) made links between the increasing importance of knowledge and the emergence of the post-industrial society which Handy (1984) articulated as a move, in terms of jobs, to knowledge based industries. Drucker (2001) further defines this step change as a move to a knowledge economy where knowledge would be a key strategic resource. Based upon these observations intellectual capital as a concept has been in place for approximately 40 years Litschka et al. (2006), but Serenko et al. (2010) suggest that the core concepts required to qualify as an academic domain have been in place only just over a decade.

Serenko et al. (2010) identify the critical and necessary attributes of an academic domain as needing conceptualisations, theories, refereed journals, academic courses, productivity rankings and citation impact measures. Whilst they identify these as being in place for intellectual capital they adopt a cautious stance by stating that intellectual capital may be seen to be still in its embryonic stages with greater

development required. A further thesis by Sanchez et al. (2009) supports the above assertions by stating that intellectual capital is still a young field of research and this is further recognised by O'Donnell et al. (2006). In their (2010) research, Serenko et al. undertook a scientometric analysis of knowledge management and intellectual capital academic literature published between 1994 and 2008. As one of the conclusions of this research they assert that the academic domain of intellectual capital is displaying signs of academic maturity. They base this assertion upon three indicators, an increase of co-authored academic articles, a move from theoretical inquiry methods to empirical methods and a move from practitioner contribution to knowledge to increased contribution by academic researchers. The above research proved very useful for this literature review as it identified both seminal and contemporary intellectual capital commentators, and provided many links to additional literature resources. For the purposes of this thesis intellectual capital is recognised as a maturing academic domain, but it must be noted that little academic research has been published relevant to intellectual capital within social enterprises. This finding adds to the efficacy of this research as it intends to make a contribution to theory and practice for intellectual capital within the housing association sector.

Petty and Guthrie (2000) proposed the following intellectual capital timeline as demonstrated in table 1.

Period	Progress
Early 1980s	General notion of intangible value (often generically, labelled goodwill)
Mid 1980s	The 'information age' takes hold and the gap between book value and market value widens noticeably for many companies
Late 1980s	Early attempts by practitioner consultants to construct statements / accounts that measure intellectual capital (Sveiby, 1988)
Early 1990s	Initiatives systematically to measure and report on company stocks of intellectual capital to external parties (e.g. Celemi and Skandia) Skandia appoints Leif Edvinsson 'Director of IC' Kaplan and Norton introduce the concept of a balanced scorecard (1992)
Mid 1990s	Nonaka and Takeuchi (1995) present "knowledge creating company" Celemi uses a knowledge audit Pioneers of the intellectual capital movement publish books on the topic
Late 1990s	IC becomes a popular topic with researchers and academic conferences, working papers etc. Number of large scale projects commence with aim to introduce academic rigour into research into IC
2000s	Academic interest accelerates. Journals and articles become more prevalent Early success stories such as Skandia fail Questions over practical use of intellectual capital in organisations

Table 1-- Intellectual Capital a time line (adapted from Petty and Guthrie (2000))

Prusak (2001) postulates the antecedents of the current academic domain of intellectual capital as economics (efficiency, performance variation), sociology (internal networks, communities) philosophy and psychology (know-how and know what). Prusak further defines information management, the quality movement and human resource management as practices that have helped to shape the discipline.

Ponzi (2002) supports the stance that intellectual capital has been influenced by many disciplines, and proposes the influence of computer science, management science, information and library science and organisational science. Ma and Yu (2010) highlight how intellectual capital overlaps with other disciplines and they assert that intellectual capital appears to have an unusually high degree of interaction with other academic disciplines. Prusak (2001) and Ma and Yu (2010) state that these overlaps and relationships to other academic domains add to the difficulty in finding an overall definition of intellectual capital and this assertion is supported by the plethora of posited definitions as will be seen in the following section 2.2.2.

Petty and Guthrie (2000) state that intellectual capital development has been shaped by the emergence of the information society, the rising importance of the knowledge-based economy and the realisation that innovation is an important factor of competitiveness. O'Donnell et al. (2000) highlight the complexities involved with intellectual capital's relationship with the disciplines outlined above as language, experiences, history, culture, processes, understandings, interactions, interpretations, routines, information, data and knowledge.

To summarise, for the purposes of this thesis, intellectual capital can be thought of as a maturing academic domain, shaped by a diverse range of other academic disciplines, which is still in its early stages of development, and as such suffers from a specific, all-encompassing definition. This thesis will strive to add to the literature around intellectual capital within housing associations.

2.2.2 Towards a Definition of Intellectual Capital

A review of the literature returned a large number of intellectual capital definitions. These definitions are generally congruent in that they highlight knowledge is held within the organisation's people, processes and relationships (which is congruent with Kong's (2010b) stated intellectual capital constructs), but Abdolmohammadi (2005) classifies these definitions as "decidedly broad".

Marr and Chatzkel (2004) state their position that the concept of intellectual capital remains ill understood and defined and they posit the need for both researchers and practitioners to define the term whenever used. Abeysekera (2006) states that as intellectual capital definitions differ, it is difficult to measure like-for-like. The example given in this research demonstrates the challenge involved in differentiating between organisational assets and financial assets. Chaharbaghi and Cripps (2006) state their concerns on there being no fully agreed intellectual capital definition as giving rise to the possibility of multiple meanings and usages. Litschka et al. (2006) argue that a confusing mixture of different definitions are prevalent within the public domain and Mesa (2010, pg. 210) extends this view by suggesting the existence of a “...polyphony of definitions, constructs, models and assumptions of intellectual capital...” Dumay (2009) highlights further confusion with the domain and highlights that not only is there no generally agreed definition of intellectual capital, but there is a lack of agreement on the constructs that make up intellectual capital even after many years of academic interest in the domain.

Against the above discord, a number of academics have attempted to provide definitions of intellectual capital. Bontis (1998) defines intellectual capital as the collective knowledge embedded in the people, processes and structures of an organisation. Edvinsson and Malone (1997) describe intellectual capital as the knowledge, experience, technology, relationships and skills that provide an organisation with competitive advantage. Kong (2010b) states that intellectual capital is applicable to all organisations, including social enterprise organisations such as the one studied in this thesis but does go on to state his concern that there has been little research undertaken around the role of intellectual capital in social enterprises.

McCann and Bruckner (2004) highlight the importance of appreciating what it means to strategically manage knowledge within organisations and Kong (2010b) posits that an acceptable form of conceptualising this knowledge in social enterprises, that is an organisation such as the one in this research, is through the lens of intellectual capital. Due to the dichotomy in the literature and lack of a fully agreed upon academic definition of intellectual capital, and as Dumay (2009) suggests a lack of agreement on the constructs of intellectual capital it becomes particularly important to adopt a definition for the purposes of this research.

Therefore for the purposes of this research Edvinsson and Malone's (1997) definition has been adopted as suitable for a working definition within this context. This definition (stated in section 1.3) is succinct, but manages to encompass the elements that are found in the intellectual capital constructs also adopted by this research (Kong, 2010b) and makes a connection between intellectual capital and competitive advantage which is a central tenet of this research.

2.2.3 Intellectual Capital: The Early Years

Researching the history of intellectual capital demonstrated that amongst the diverse academic disciplines that shaped it, information management and computer science were prevalent (Ponzi, 2002). This aligned to the move to knowledge-based industries (Handy, 1984) and the significant increase in the use of computers in organisations Feng et al. (2004) is likely to have fostered the initial practitioner led approach to intellectual capital. Petty and Guthrie (2000) along with Serenko et al. (2010) assert that intellectual capital was initially practitioner led. They suggest that early research into intellectual capital sought to recognise intellectual capital's potential for creating a sustainable competitive advantage. Marr and Chatzkel (2004) broadly agree with this assertion that an awareness of intellectual capital has been created, and that there is a requirement to develop to the next level of research, moving away from practitioner led to academic led research. They go as far to state that intellectual capital research is at a crossroads particularly in relation to its management, measuring and reporting. Worryingly, Dumay (2009) provides a contemporary view that there is still a divide between theory and practice.

Against this backdrop is a call for further empirical research into intellectual capital by Petty and Guthrie (2000) and Serenko et al. (2010) and a move away from developing additional intellectual capital theories (Sveiby (2007) and Dumay (2009)) to testing those already published. Alongside the call for additional empirical and academic research within the intellectual capital discipline is Serenko et al.'s (2010) assertion that the future identity of intellectual capital is important in three main areas. Firstly, the identity of an academic discipline affects the decisions made by future researchers as to what topics will be researched and by what methods. Secondly, the overall identity of a discipline affects the decisions of prospective students and

granting bodies and thirdly a clear identity allows luminaries within the discipline to ensure it progresses in a desired manner. In its early years, intellectual capital was tightly linked to the increase in computer technology, indeed as Dumay (2009) asserts technology has facilitated greater dissemination of knowledge. This thesis does not seek to develop additional models, but rather will utilise an adaptation of existing models (see table 13) in order to measure and analyse intellectual capital in use.

Lonnqvist et al. (2009) links the progress in the knowledge based economy with technological development. Reed et al. (2006) go as far as to link the intellectual capital view of an organisation to Leonard-Barton's (1992) knowledge based view theory which is primarily interested in evaluating the effectiveness of information technology and information management systems. Both information technology and information management systems are important to effective intellectual capital use within an organisation. Indeed they form an important component of the intellectual capital construct of structural capital, as defined by Kong (2010b). However a number of academics such as Nonaka and Takeuchi (1995), Davenport and Prusak (1998) and Cortada and Woods (2000) all point out that technology is not the silver bullet that will enable effective intellectual capital.

An important facet of intellectual capital, identified early in its development, is the value of intangible assets. Caddy (2000, pg. 129) argues that the terms intangible assets and intellectual capital “...*have either been used interchangeably or are considered to have significant overlap.*” In this research the economic benefit will refer to competitive advantage achieved through the appropriate use of scarce resources. Whilst the tangible assets encompassed by intellectual capital and its constructs if managed appropriately will benefit the organisation, the management of intangible assets are perceived as an important tool for competition by Joia and Lemos (2009) and may lead to competitive advantage for the organisation. Intangible assets, also referred to as tacit knowledge may provide competitive advantage as their characteristics as described by Joia and Lemos (2009) mean that they are difficult for other, competing organisations, to copy.

By their very characteristics these assets are difficult to transfer around the organisation, so success is found when the intellectual capital in use supports the ability to communicate and capture them. It is interesting to note that even at this stage of intellectual capital's academic development some authors believe that there is still a divide between theory and practice Dumay (2009). Thus there is a call to move away from concentrating upon technology, the implementation of knowledge management systems and a requirement for further academic investigation rather than 'hype' from software vendors Frappaolo (2006). This thesis does not major on technology and it utilises and adapts existing intellectual capital (Sveiby's (2007) intangible assets monitor and Kong's (2010b)) models (see table 13) in order to undertake the practical aspects of the analysis. Thus it complies with Sveiby (2007) and Dumay's (2009) call for academic researchers not to develop additional theoretical models, but rather gather empirical evidence against existing models as per Petty and Guthrie's (2000) stated requirement, which is the approach taken by this research.

2.2.4 Intellectual Capital in Practice

Whilst this research is academic rather than practitioner focused, it takes place within a real working environment, so it is necessary to be aware of the concerns and criticisms of intellectual capital's usefulness and success rate that the literature review has returned as a dominant theme. Following on from the previous assertion that intellectual capital has in the past been practitioner led, and the call for further academic research in order to legitimise the identity of the discipline, is the recurring question in the literature that asks if intellectual capital within organisations has had any beneficial effects. Dumay (2009) postulates that, intellectual capital has not generally translated from a concept to an organisational outcome. Chatzel (2004) goes further by calling for academics and practitioners to demonstrate the use intellectual capital may have to organisations. O'Donnell et al. (2006) provocatively state that intellectual capital's contested nature and multiple meanings may lead intellectual capital proponents to fail in understanding its underlying processes.

Dumay (2009) goes on to state that the espoused benefits of intellectual capital have not been met and there has been a lack of take up in practice. A disturbing phenomenon also outlined by Dumay (2009) states that one of the early intellectual capital users, Skandia, actually turned away from intellectual capital when its share price fell significantly in the early 2000s. This approach is dichotomous to the espoused benefits of intellectual capital that suggests that investing in intellectual capital will give the organisation advantage. Andriessen (2004) proposed that to overcome some of these criticisms, clarification of existing concepts and methods is needed along with an assessment of these methods and then standardisation for any further methods development.

However, Dumay (2009) is able to propose a possible positive outcome for intellectual capital in light of the world's current financial crisis where organisations may see its stakeholders realising the importance of managing scarce resources. On a more positive note, although dichotomy exists with regards to defining intellectual capital and proving its usefulness to organisations, its use is wide. Spender (2006) finds that knowledge projects are widespread in the public and private sectors and that whilst chief executive officers recognise knowledge as a crucial asset, they fail to measure intellectual capital. Whilst disappointing to discover that intellectual capital, in the view of some academics has not been a success or has not delivered the expected benefits, this research has, practically, taken a different approach. It did not explicitly look to evaluate an intellectual capital project or intervention within the organisation, rather, it looked for evidence of intellectual capital in practice in the functional areas of the organisation.

2.2.5 Intellectual Capital Reporting and Measurement

The literature review highlighted the reporting of intellectual capital as a dominant theory within its development, and indeed highlighted a current dichotomy in the purpose of that reporting. One perspective views intellectual capital reporting as pertinent to the reporting of financial assets in annual financial statements (Abdolmohammadi, 2005) and the other views it as pertinent to report on the internal effectiveness of intellectual capital within the organisation (Litschka et al., 2006). Intellectual capital reporting has been included in this chapter as there is a large body of extant literature associated with it, and it is a dominant theory of the academic domain. However, as the organisation in this research is a not-for-profit organisation the aspect of financial reporting will not form part of the on-going research. Measurement of intellectual capital, which is closely linked to reporting of it, forms an important aspect of this research as it has adapted one of the existing measurement models (Sveiby's (2010) intangible assets monitor model) as a framework to base data gathering and analysis around when undertaking the practical elements of the research. The literature demonstrates a multitude of existing measurement models in place (Sveiby, 2010), but will only discuss those identified as exemplar by Petty and Guthrie (2000). These exemplars are discussed in sections 2.2.8 to 2.2.11.

2.2.6 Reporting

In addition to using intellectual capital as a device to improve organisational processes with an aim to providing competitive advantage, a number of academics are keen to promote another facet of intellectual capital, that of intellectual capital reporting as espoused by Guthrie et al. (2004). A range of methods for intellectual capital reporting were discovered in the literature ranging from an integrative approach supported by Litschka et al. (2006), a critical approach by Dumay (2009) to a content analysis approach by Guthrie et al. (2004). Marr and Chatzkel (2004) attempt to set the context of reporting by stating the requirement to understand if we are reporting on past actions or attempting to make future decisions. The literature gives two reasons why intellectual capital reporting is used. These consist of reporting intellectual capital as a financial asset contained in companies' annual reports as identified by Abdolmohammadi (2005) and the quantification and reporting of intellectual capital to allow organisations and their senior managers to gauge the

availability and effectiveness of organisational intellectual capital as identified by Litschka et al. (2006). Chaharbaghi and Cripps (2006, pg. 29) comment that whilst knowledge can have a financial impact upon an organisation through “... *higher productivity and production rate*” criticism exists around “...*traditional accounting methods such as balance sheets which look backwards and at tangible assets only...*”

This criticism captures the literature’s assertion that intellectual capital can provide the organisation future benefits through increased innovation as espoused by Petty and Guthrie (2000) and that these benefits are likely to be accrued from intangibles as stated by Barney (1991). As this research is based around a not-for-profit organisation intellectual capital reporting for financial value is not considered relevant and will not be pursued. Intellectual capital reporting seeks to evidence if intellectual capital in action is giving the organisation any benefits and this accords well with Joia and Lemos’ (2010) assertion that some organisations miss the salient points of implementing intellectual capital by valuing the capture of knowledge rather than its positive use.

The measurement and reporting of intellectual capital in order to gauge effectiveness is however, relevant to this research and it is this branch of intellectual capital reporting that will be concentrated upon. Petty and Guthrie (2000, pg. 160) state that the development of intellectual capital reporting can be:

“...traced back to the desire for individuals working with or within businesses to improve their understanding of what comprised the value of the business so as to manage better those things that generate value.”

This statement accords with the aims of this research which is to identify possible links between intellectual capital and competitive advantage. Additionally, they highlight the benefits of using this reported data to innovate through benchmarking.

2.2.7 Measurement

Chaharbaghi and Cripps (2006, pg. 30) highlight the difficulty of measuring the effectiveness of intellectual capital and notes the dichotomy between “...*what gets measured gets managed*” and the “... *inherently intangible nature*” of intellectual capital”. They go further and state that measurement schemes can become subjective evaluations and opinions which mask what really matters.

The qualitative method approach utilised by this research (see chapter three) makes links between the use of intellectual capital and in line with Chaharbaghi and Cripps’ (2006) concern will not attempt to assign actual values to the intellectual capital in use. Andriessen (2004) along with Dumay (2009) are keen to distinguish the difference of value creation to that of financial value, again an important tenet for not-for-profit organisations. To put into context Andriessen’s (2004) and Sveiby’s (2007) assertions that many measurement models exist and intellectual capital would benefit from their consolidation, Sveiby’s (2010) list of methods for measuring intellectual capital is displayed in table 2.

Approx. Year	Label	Major Proponent
2009	ICU Report	Sanchez
2008	EVVICAE	McCutch
2008	RICI	Schiama et al.
2007	Dynamic Monetary Model	Milost
2004	IabM	Japanese Ministry of Economy and Trade
2004	National intellectual capital Index	Bontis
2004	Business IQ	Sandvik
2003	Public Sector IC	Bossi
2003	Danish Guidelines (DITR)	Mortise
2003	IC-dVAL	Bonfour
2002	FiMIAM	Rodou & Leliart
2002	IC Rating	Edvinson
2002	Value Chain Scorecard	Lev
2002	Meritum	European Union
2001	Intangible Assets Statement	Garcia
2001	Knowledge Audit Cycle	Schium & Marr
2000	Value Creation Index	Baum et al.
2000	Value Explorer	Andriessen & Tiessen
2000	Intellectual Asset Valuation	Sullivan
2000	Total Value Creation	Anderson & McLean
1999	Knowledge capital Earnings	Lev
1998	IVM	McPherson
1997	EVA	Stern & Stewart
1997	IC-Index	Roos et al.
1994	Intangible Asset Monitor	Sveiby (1997)
1994	Skandia Navigator	Edvinsson & Malone
1992	Balanced Scorecard	Kaplan & Norton
1980s	HRCA2	Johansson
1970s	HRCA1	Flamholtz
1950s	Tobin's q	Tobin

Table 2 - Intellectual Capital Measurement Models and their Timeline (Adapted from Sveiby (2010))

Table 2 displays just a selection of the models identified by Sveiby (2010). However, even this subset demonstrates the vast array of models in place and lends weight to the concerns of academics such as Dumay (2009) who calls for further intellectual capital research to concentrate on the use of intellectual capital in action rather than develop further intellectual capital models and concepts. The scope of this chapter does not allow more in-depth analysis of all the models identified by Sveiby (2010) so there is a need to focus upon a small number of them. Catusus and Grojer (2006) discuss a number of the intellectual capital measurement frameworks as identified by Sveiby (2010) as detailed below, and the ones discussed here appear many times in the literature and are regarded as exemplar (Petty and Guthrie, 2000). The following exemplar models (section 2.2.8 to section 2.2.11) are included here in order to set the context of the intellectual capital models available for organisations to use and to highlight their relative merits (or otherwise) with reference to this research.

2.2.8 Balanced Scorecard

The balanced scorecard method was developed by Kaplan and Norton (1992). This method was designed to allow both financial and non-financial measurements to be utilised in tandem (Kaplan and Norton, 1992). The model measures four organisational perspectives which are financial, customer, internal business, innovation and learning. The financial perspective allows the organisation to measure existing and past performance whilst the other perspectives allow the measurement of drivers of future financial performance. It would be these latter perspectives that Kaplan and Norton (1999, pg. 75) identify as “... *the parameters that the company considers most important for competitive success*”, that link with organisational intellectual capital in terms of intangibility. These constructs appear to have synergy with Kong’s (2010b) constructs of intellectual capital that are being utilised within this research, that is, the customer perspective links to relational capital, internal business perspective links to structural capital and innovation and learning perspective links to human capital. Catusus and Grojer (2006) describe the method as an indicator system that denotes casual relationships between indicators.

Petty and Guthrie (2000) highlight Kaplan and Norton's assertion that non-financial measures provide a means of complementing the financial measures and state that these measures combined should inform organisational strategy. This research will not however, focus upon financial indicators due to the not-for-profit nature of the organisation and therefore if this model was utilised, one of the four perspectives would need to be ignored. Kaplan and Norton (1992) cite a strength of their model as being to force managers to consider all the important operational measures together so as this research is not concentrating upon financial factors it asserts that by ignoring one of the perspectives, the research would undermine the usefulness of the balanced scorecard model approach.

2.2.9 Skandia Navigator Model

Originally developed by Lief Edvinsson, (Edvinsson and Malone, 1997) to report internally upon intellectual capital for the company Skandia, this model deals with five perspectives or areas of focus which are, financial, customer, process, renewal and development and human capital. The model seeks to identify a company's value through the measurement of hidden, invisible organisational factors. Bontis (2001) assesses the model and summarises that according to it, intellectual capital in this context is made up of human capital and structural capital, and again these terms are synergetic with Kong's (2010b) intellectual capital constructs. Edvinsson and Malone (1997) define intellectual capital in this context as encompassing experience, technology, relationships and skills that give Skandia competitive advantage in their market. This implied link between intellectual capital and competitive advantage provides further impetus for the research outlined in this chapter.

Bontis (2001) acknowledges 164 metrics that this paradigm utilises and whilst Edvinsson and Malone (1997, pg. 44) state that "*... various indices may be redundant or of varying importance*" they still advocate the use of 112 metrics. Edvinsson (1997) recognises the similarities of this paradigm to that of the balanced scorecard approach but seeks to explain how it differs by demonstrating its inclusion of renewal and development dynamics. Whilst this research was concerned that the balanced scorecard method may not have enough metrics to allow a holistic view of intellectual capital to be garnered, there is some concern over the large number of metrics

advocated by this approach. Additionally, there is a financial focus that would need to be ignored by this research.

2.2.10 Danish Intellectual Capital Reporting

Mouritsen et al. (2004) highlight that the Danish Intellectual Capital Reporting intellectual capital reporting model was developed in order to remove the ambiguity found in the various definitions of intellectual capital statements used by organisations and the disparate forms of financial and non-financial reporting. An overarching ambition of this model is to promote intangible assets by emphasising the management of resources not usually recognised as needing to be managed.

Funded by the Danish government, research led to this model which consists of four elements, knowledge narrative, management challenges, initiatives and indicators. The naming convention used in this model does not clearly demonstrate the mapping of the elements to Kong's (2010b) intellectual capital constructs. However, further analysis of the model allows links to be made such as knowledge narrative to relational capital, management challenges to structural capital and initiatives to human capital, leaving indicators to act as a reporting mechanism to monitor the progress of initiatives. The output of this model is referred to as an intellectual capital statement which is intended for use as a communication tool (that is advertise how intellectual capital is used within the organisation) and as a management tool to allow intervention and development. This research has discounted the use of this model as the links between Kong's (2010b) intellectual constructs could not be thought of as strong.

2.2.11 Intangible Asset Monitor

Sveiby (1997) developed this paradigm in an attempt to alter the way companies were valued and advocated a model that would allow intangible assets to be as visible as tangible assets. Bontis (2001) analyses this perspective and rather than replace financial measures advocates the joint use of intangible asset measurement and financial measurement in order to give a complete indication of the organisation's success or otherwise.

Sveiby's framework is developed upon three conceptual proposals, or as Bontis (2001, pg. 51) describes them "...*three families of intangible assets*". These are external structure, internal structure and individual competence. Again, the constructs of this paradigm accord with Kong's (2010b) proposed constructs of intellectual capital. Interestingly Sveiby (1997) promotes a contextual approach to disclosing the results of the model and suggests that the information relayed externally to stakeholders needs to be developed and formatted specifically to those stakeholders whilst internal disclosure should take the form of management information. As minimal research or empirical evidence can be called upon with reference to intellectual capital within housing associations it would seem appropriate that this research would benefit from adopting a contextual approach. Additionally, the focus upon intangibles adopted by this model accords well with the literature's assertion that intangible assets are important tools which may lead to competitive advantage (Joia and Lemos (2009) and Caddy (2009)) and this model's three elements provides an excellent map to Kong's (2010b) intellectual capital constructs.

This research does not intend to communicate how its intellectual capital is practically used, although an opportunity may exist to share intellectual capital best practice with peer organisations. It is encouraging to note that the above models, chosen as worthy of further investigation by this chapter, and identified as exemplar by academics, are congruent with Kong's (2010b) intellectual capital constructs, and the use of any of them would allow the important aspect of intangible assets to be measured. In particular, Sveiby's intangibles assets monitor model accords well with Kong's intellectual capital constructs and the suggested contextual approach further validates that this model would be appropriate for use in this research.

It is encouraging to note that the practical application of Sveiby's adapted model may be contextual, that is, it can be adapted for use with housing associations and further validates the reason that this research chose it for use with the practical stages of data gathering and analysis.

This chapter acknowledges that researchers need to generally be aware of the generic difficulties in measuring and reporting upon intellectual capital. These difficulties are articulated as ‘why do organisations want to measure intellectual capital?’, ‘what are the current and anticipated effects of intellectual capital reporting?’, ‘is it cost effective to measure intellectual capital within the organisation?’ and ‘who within the organisation is best placed to undertake the measurement of intellectual capital?’

2.2.12 Intellectual Capital in social enterprises

Whilst there was shown to be a plethora of literature relating to intellectual capital and its constructs, there is a distinct paucity of literature specifically published around intellectual capital and its use within housing associations. Therefore, where available, this research has paid attention to academic endeavours in the third sector in an attempt to gain context and in order to frame intellectual capital theories in a not-for-profit context as opposed to the prevailing business (for profit) context. A number of contributors were found to have undertaken research into the third sector and indeed who have undertaken research into specific third sector companies. These have proved useful in highlighting intellectual capital theories and practice in organisations which are similar to the one in this research. These authors include Evers and Laville (2004), Kong and Prior (2007), Kong (2010b) and Mesa (2010). Sanchez et al. (2009) draw some comparisons between the use of intellectual capital in action and new public management principles and posit that intellectual capital frameworks provide a useful view of how collaboration and networking (the relational capital construct) creates value in a public organisation. Kong (2010b) is keen to suggest that intellectual capital is equally applicable to for-profit and not-for-profit organisations and highlights the distinctions as profit maximisation for-profit organisations and value creation for not-for-profit organisations.

Kong (2010b) extends this and suggests that for not-for-profit organisations intellectual capital can actually have a fundamental effect by shifting the organisation’s strategic focus to knowledge, skills and experience. This coupled with Letts et al.’s (1999) argument for the positive impact of aligned mission and values allows the use of intellectual capital to become an attractive possibility. Kong (2010b) the proponent of the three constructs of intellectual capital (human, relational and

structural) positively states that through the components of intellectual capital the leaders of social enterprises can better identify and manage the organisation's intellectual resources and knowledge management activities. In support of Kong's (2010b) assertion Mesa (2010) claims that there is an increased recognition that intellectual capital can play a vital role of managing the complexities of social enterprise organisations.

Additionally, that there appears to be a link between the use of intellectual capital and competitive advantage within not-for-profit organisations and this is important to the practical contribution of this research. Mesa's (2010) research states that intellectual capital needs to be understood in context, and this was taken into account as this research progressed. This suggested contextual approach supports the argument for the use of Sveiby's (1997) intangible assets monitor model which may also be used in context. Additionally, Mesa states the importance of focusing on the social aspect of their business for not-for-profits.

2.3 Competitive Advantage Literature

One purpose of effective intellectual capital is to give an organisation competitive advantage. In terms of its contribution to practice it is important for this research to identify where improvements may be made to the organisation in order to give it competitive advantage. The literature review has primarily concentrated upon intellectual capital, but it is incumbent upon this research to undertake a brief review of the literature regarding competitive advantage so that a working definition may be given in the context of this research. Porter and Millar (1985, pg. 87) offer the following definition of how knowledge within an organisation may lead to competitive advantage:

“To gain competitive advantage over its rivals a company must either perform activities at a lower cost or perform them in a way that leads to differentiation...”

Kong and Prior (2008) assert that competitive advantage is gained when a social enterprise consistently out-performs its competitors and state that intellectual capital

may be regarded as an important resource that needs to be developed by social enterprises in order to gain sustained competitive advantage.

This chapter supports this assertion as it encompasses the issues that need to be overcome by the organisation and the other actors in the Welsh housing sector in terms of how they perform within the Welsh economy as they go about delivering upon their organisational strategies. This is against the backdrop of the current financial climate and is in addition to further external challenges posed to not-for-profit organisations generally as summarised by Weerawardena and Mort (2008). Barney's (1991) seminal work on organisation resources and sustained competitive advantage suggests that competitive advantage has been important to organisations for some time. Ansoff (1965) posits that organisations traditionally sought competitive advantage, through the utilisation of strategies, to exploit internal strengths through responding to opportunities and neutralising threats by avoiding weaknesses. Kong and Prior's (2008) definition above supports that made by Barney (1991) who defines competitive advantage as being in place when an organisation is creating value not simultaneously being implemented by competitors. Interestingly, Barney (1991) defines an organisation's resources as consisting of capabilities and processes. This accords well with Kong's (2010b) intellectual capital constructs, specifically the structural construct.

Barney further suggests classifying these resources into three categories. The defined categories are physical capital (plant, equipment, technology and access to raw material), human capital (training, experience, judgement, intelligence, relationships and insight of workers) and organisational capital (reporting structure, planning controlling and coordinating systems). It is interesting to note the further synergy between these classifications and the intellectual capital constructs defined by Kong (2010b) and these can be mapped as physical capital to the intellectual capital construct of structural capital, human capital to the intellectual capital construct of human capital and organisational capital to the intellectual capital construct of relational capital. Barney (1991) highlights that organisation resources need to be valuable, rare, imperfectly imitable, and non-substitutable.

Whilst this research accepts that Barney's elements need to be in place to allow competitive advantage, it postulates that through the lens of intellectual capital, all the above elements that make up the defined categories could be impacted upon through an intellectual capital perspective being applied across them. Taking a more contemporary view Martin-de-Castro et al. (2006) highlight that some resources must be more valuable than others and they posit that intangible assets as contained within the perspective of intellectual capital deserve greater organisational attention. This view supports Caddy's (2000) assertion that the importance of intangibles within intellectual capital must not be overlooked. Additionally, they extend Barney's (1991) understanding of resources with the introduction of how capabilities act upon said resources. They posit that resources are simple and static whereas capabilities are complex and dynamic.

Kong and Prior (2008) further extend the concept of capability with reference to intellectual capital, and go as far to suggest that intellectual capital could itself be a distinctive competency, and could be regarded as the basis of a not-for-profit organisation's core competence. Kong and Prior (2008) posit that the intellectual capital constructs of human, structural and relational capital can be seen as individual resources and therefore are each capable of providing a potential avenue for competitive advantage but they do warn that the intellectual capital constructs should interact in the overall pursuit of competitive advantage. This research acknowledges the importance of this assertion in terms of the research to be undertaken. As housing associations in the main have the same resources with which to work with as identified by Welsh Economy Research Unit (2008), but it is how they are utilised, through organisational routines, imbued with elements of intellectual capital that competitive advantage is likely to emerge. Therefore, for the purposes of this research Barney's (1991) definition of competitive advantage will be adopted due to the synergy of these competitive advantage classifications and those of Kong's (2010b) intellectual capital constructs.

2.4 Housing Associations – a Brief history

This section is included in order to set the context of housing associations, one of which this research is based upon. Academic and commercial literature is widely available on the housing association sector, but little was found that directly seeks to analyse intellectual capital within the sector. This thesis highlights the importance of housing associations to Wales, and specifically the Welsh economy so it is important to briefly examine why and how housing associations were formed, and to further examine the importance of utilising efficient services through the use of intellectual capital to give these organisations competitive advantage.

Whilst housing associations have existed in various forms and with various, specialist remits for many years (Cope, 1999) their position has been promoted since the Housing Act (1988) when their remits were altered from their previous specialist natures to one where general housing needs should be met as identified by Walker and Jeanes (1999). Niner (1999) notes that the housing market has become more customer focused over recent years as the supply of customers has dwindled and associations compete for tenants. This assertion is important as it supports the notion that competitive advantage within social enterprises is important to their sustainability.

This quote provides focus upon the needs of current housing associations to be able to achieve more with less resources in the current difficult financial climate, and a method of achieving this may be provided by the organisation embracing intellectual capital in order to achieve competitive advantage over sector rivals. Walker and Jeanes (1999) cite the provision of new social housing and the transfer of housing stock from local authority control to newly formed housing associations as the reasons for the increased scale of the housing association sector. They recognise that housing associations face the challenge of a reduction in state subsidies. The above position is relative to social housing throughout England and Wales. In Wales specifically, transformation of the housing market is taking place through large scale voluntary transfers which has seen 11 transfers of stock from existing local authorities to newly formed housing associations (Welsh Economy Research Unit, 2009). There are 22 local authorities within Wales so this evidences that 50% of local authorities have transferred stock to date, and the 11 new housing associations formed through this

transformation activity, when added to existing housing associations within Wales now totals 70 housing associations operating within Wales.

The newly formed transfer organisations have a remit of housing provision that is co-terminus with the local authorities from which they were formed, so whilst competition per se is limited between them, they must compete with each other for Welsh Government funding and investment from private industry. Additionally, the other housing associations acting within Wales are not limited to geographical locations and are able to trade where they wish. In this regard the organisation competes with a number of housing associations who own and manage properties within their location.

2.5 Knowledge Map

The following knowledge map, figure 2 is offered to diagrammatically represent the theoretical content of this research. It is intended to visually represent the main concepts of this research and to demonstrate how they may be related to each other. It offers a summary of the main theories utilised in this research and how they interact and how they are constructed, in an easy to visualise form.

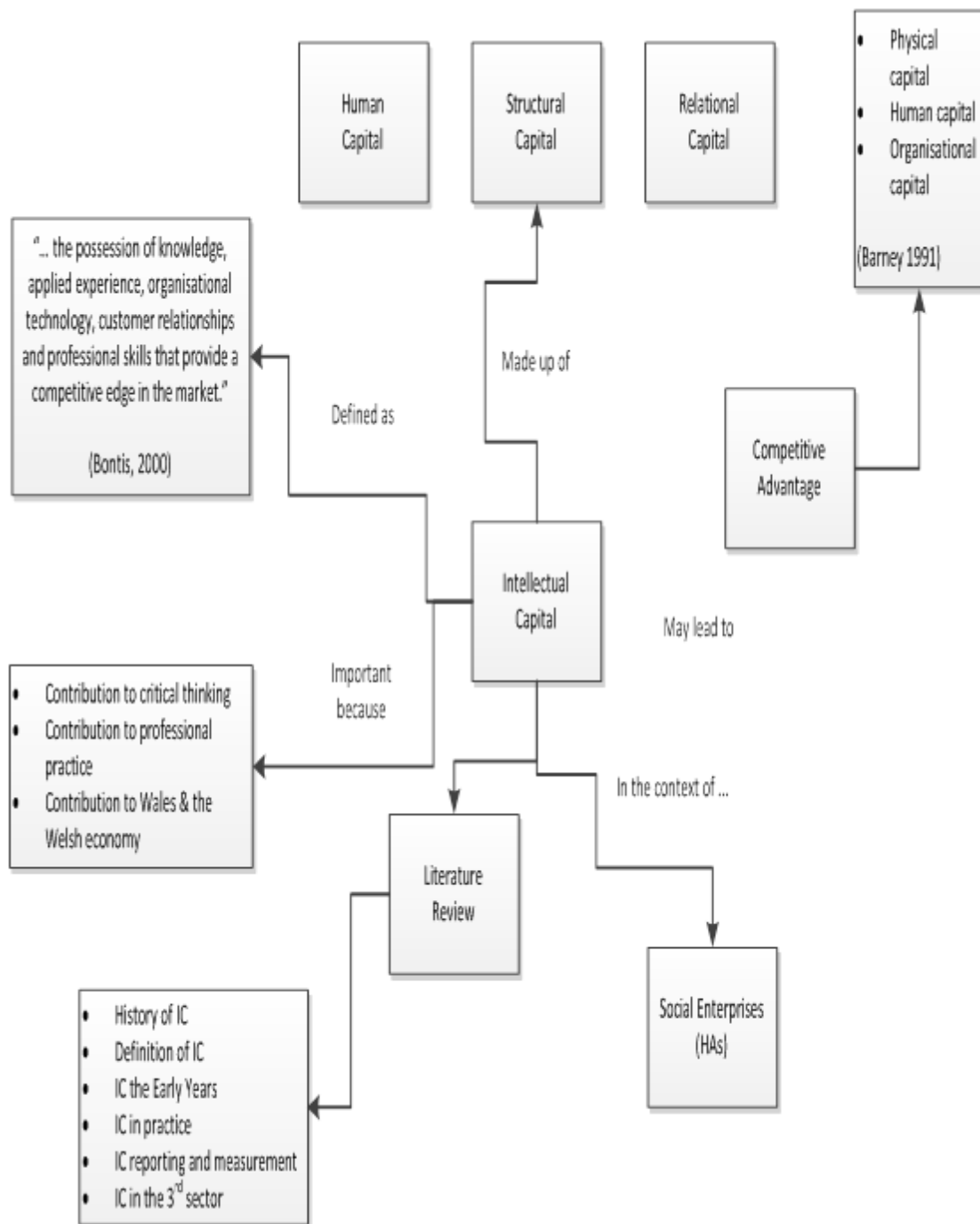


Figure 2 – Theoretical context knowledge map

2.6 Practical Context

2.6.1 Evidencing intellectual capital in use

The dominant theories of intellectual capital as discovered through the literature search have been discussed (see section 2.2) and now how they may be utilised in a practical fashion will be demonstrated. In order to begin to identify the elements of intellectual capital in use at the organisation and to then analyse how they are employed it was necessary for this research to practically ensure that the data and methods of allowing this identification to take place were both available and viable. So, in order to ensure the viability of the data, and to allow the research to focus on functional areas where intellectual capital may be found, a number of mapping exercises were undertaken (tables 5 to 10). These identified links between the generic working practices of housing associations and those in use at the organisation in this thesis. These were further mapped to areas within the organisation to allow for more focused research and then mapped according to Kong's (2010b) intellectual capital constructs in order for the practical aspects of the research to be linked back to the theoretical aspects of it (table 12).

2.6.2 Intellectual Capital areas within the Organisation

There has been a large amount of transformational change within the housing sector in Wales over the last five years (Welsh Economy Research Unit, 2009, pg. 2), not least due to Welsh Government's aspiration for "*...all households, in all communities and irrespective of their means, can afford a decent home...*" A major contributor to these changes (Welsh Economy Research Unit, 2009) have been the introduction of transfer organisations into the housing sector, of which the organisation in this research is one. These third sector organisations have taken over the housing stock of local authorities with the remit of improving houses, communities and ensuring innovative initiatives. The importance of these organisations to the economy of Wales and indeed to this research was outlined in chapter one, section 1.2.

In order to measure the impact of the changes in the housing sector Welsh Government commissioned the Measuring the Impact reports (Welsh Economy Research Unit 2008 and 2009). In the first report, the various work flows of housing

associations, termed “impacts” in the report, was proposed and these are demonstrated in table 3.

Service Areas ('Impacts')	Elements
Dwelling Provision	General Needs Special Needs Aged / Elderly
Other Community Infrastructure Provision	Business Units Mixed Units Student Accommodation Community Centres Other
Skills and Training	Training for housing association staff Training for suppliers (paid for by HA) Apprenticeships supported Work experience supported
Social Inclusion	Tenant participation Ethnic minority work
Environmental Proofing	Environmental improvement projects Energy conservation On-line services

Table 3 – Housing Association impacts as identified by Welsh Economy Research Unit (adapted from Welsh Economy Research Unit (2008))

Table 3 identifies generic service areas and their associated elements. Whilst broad in nature they form the basis of the mapping exercise that ensured that these impacts are utilised by the organisation which then allowed data collection to take place in support of identifying competitive advantage and ultimately intellectual capital. In support of these ‘impacts’, existing performance and reporting measures were identified (Welsh Economy Research Unit, 2008) which relate to both internal and external measures. These measures and their related elements are demonstrated in table 4.

Measure	Element
Performance Reports and Targets	Lettings Void Properties Arrears Sheltered Housing Tenant Services (Maintenance and repairs) Service Charges
Capacity Building Initiatives	Local labour agreements Data on employment creation for disadvantaged local residents Training initiatives Educational sponsorship Relationships with local educational establishments
Community Development and Support	Schemes which engage residents in community Infrastructure projects e.g. family centres Tenant support initiatives (e.g. financial and digital inclusion) Witness support initiatives Partnerships (e.g. with organisations such as Communities First) Involvement with Local Service Boards Numbers in Sheltered Housing / Extra Care Energy efficiency and environment initiatives
Management Information	Accounts, rent arrears, vacant property statistics Business and operational plans Team improvement plans Credit Union support Spend on physical adaptations
Information for External Reporting	Responses to surveys etc. Customer databases for tenants wishing to get involved Housing waiting lists Audit reviews

Table 4 - Housing Association Performance Measures as identified by Welsh Government (adapted from Welsh Economy Research Unit (2008))

As demonstrated by table 4 the above service areas, and areas for performance measurement are generic across all Welsh housing associations as identified by Welsh Government. It was imperative to identify which of these service areas and measures have been adopted by the organisation and were thus suitable for analysis in terms of identifying any of the intellectual capital phenomena in use. The organisation's structure is displayed in figure 3.

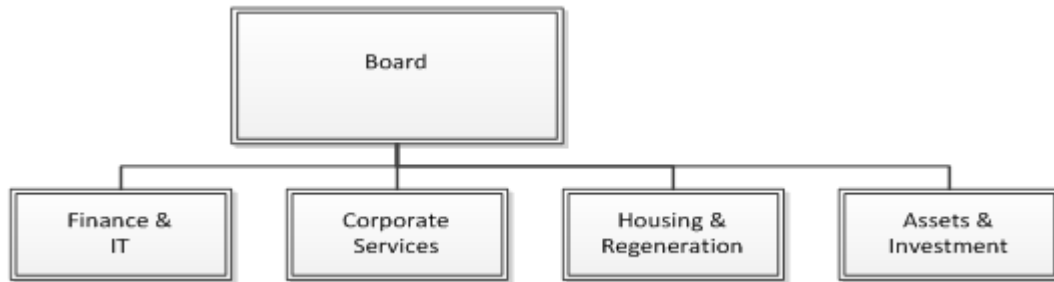


Figure 3 – Organisation structure

In line with the structure displayed in figure 3 the various directorates within the organisation are in place to manage areas of the business are demonstrated in figure 4.

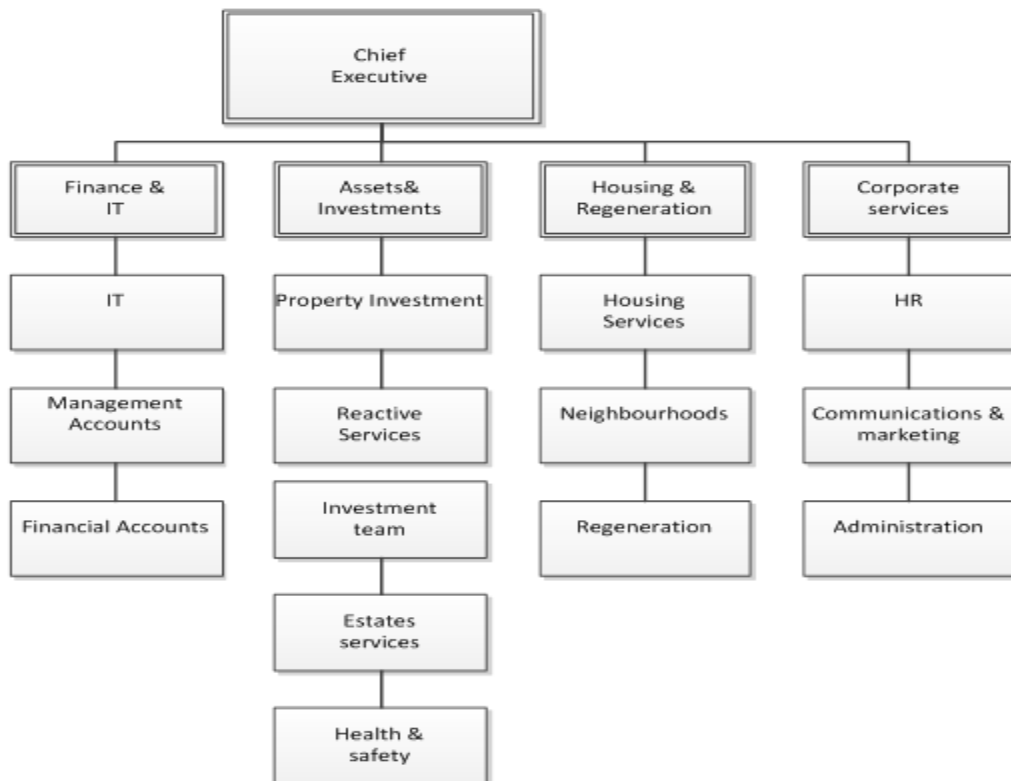


Figure 4 – Organisational diagram

As can be seen from figure 4, the housing and regeneration directorate manages a number of departments that have direct responsibility for maintaining housing waiting lists, the provision of housing, collecting rent, managing rent arrears, liaising with tenants and leaseholders, managing community regeneration (including financial and digital inclusion issues) and dealing with anti-social behaviour issues. As the main operational element of the organisation, and indeed of all housing associations it is prudent to expect that competitive advantage in this area will be very important and thus, intellectual capital identification in this area will also be important (Essex, 2008).

The asset management directorate manages a further number of discrete departments that manage repairs to properties, bringing void properties up to the required standard for re-letting, cyclical repairs (annual gas servicing and certification which is a legal requirement) and the planning and implementation of the organisation's property improvement plan. This last function is particularly important as it has a direct impact upon the organisation's progress towards compliance with the Welsh housing quality standard and as such this directorate is responsible for a large part of the organisation's budget through investment. It will be prudent to expect that in order to ensure that financial resources are used to maximum effect competitive advantage will be important in this area.

The corporate services directorate has responsibility for a number of departments that manage human resources and organisational development, corporate governance and communication and administration management. As human capital is an important aspect of intellectual capital (Kong, 2010b) and a recognised construct of competitive advantage (Barney, 1991) it is expected that the organisation's effort in this area will play an important part in intellectual capital and possible competitive advantage within the organisation.

Finance and IT is a directorate that provides support and infrastructure services to the organisation. In particular, the technology supported by the IT department contributes to the provision of reports linked to the organisation's performance measures and supports the databases within the organisation that Kong (2010b) tells us are one of the important elements of structural capital and which accords with Barney's (1991)

assertion that physical capital contains the technology element of an organisation. These structural areas of the organisation are underpinned by a number of identified core services which are made up of property and estate management, neighbourhood management, asset and investment management, home ownership, voids and lettings, resident participation, housing with support, resident service centre, commercial portfolio management and community engagement and regeneration.

Additionally, this research identified a number of areas considered as drivers for the production of performance measures as key performance indicators, regulatory inspection reports, service improvement plan and satisfaction surveys. Having identified the major organisational components of the organisation it was required to reference them against the Welsh Government identified generic service areas and performance measures which allowed this research to identify the service areas and performance measures which are in place.

The housing and regeneration directorate of the organisation undertakes the generic Welsh service areas (Welsh Economy Research Unit, 2008) of dwelling provision and social inclusion. The elements of these services areas are dealt with as demonstrated in table 5.

Generic Service Area Elements	Organisation Services
General Needs	Home Ownership Voids and lettings Resident Service Centre
Special Needs	Housing with Support
Aged / Elderly	Housing with Support
Tenant Participation	Resident Participation Community Engagement and Regeneration
Ethnic Minority Work	Community Engagement and Regeneration

Table 5 – Mapped Housing and Regeneration services

With reference to the elements within the generic performance measures relevant to the organisation’s Housing and Regeneration directorate they are demonstrated in table 6.

Service Area	Performance Elements
Home Ownership	Housing Waiting Lists Service Charges
Voids and lettings	Lettings Void Properties
Resident Service Centre	Tenant Services
Housing with Support	Sheltered Housing Spend on physical adaptations Numbers in Sheltered Housing / Extra Care
Resident Participation	Customer databases
Community Engagement and Regeneration	Schemes which engage residents in community Infrastructure projects e.g. family centres Tenant support initiatives (e.g. financial and digital inclusion) Witness support initiatives

Table 6 – Service area mapped to generic performance measure element (Housing)

The asset management directorate of the organisation undertakes the generic Welsh service areas (Welsh Economy Research Unit, 2008) of community infrastructure, provision and environmental proofing. The elements of these service areas are demonstrated in table 7.

Generic Service Area Elements	NCH Services
Business Units	Commercial Portfolio Management
Mixed Units	Property and Estate Management
Student Accommodation	Not provided
Community Centres	Not provided
Environmental Improvement Projects	Asset Management and Investment
Energy Conservation	Asset Management and Investment Property and Estate Management
On-line Services	Resident Service Centre

Table 7 – Mapped Asset Management services

The elements within the generic performance measures relevant to the organisation's asset management directorate are demonstrated in table 8.

Organisation Service Area	Performance Elements
Property and Estate Management	Infrastructure projects Spend on physical adaptations Tenant services (repairs)
Asset Management and Investment	Void properties Local labour agreements Data on employment creation for disadvantaged local residents Training Initiatives Energy efficiency and environment initiatives
Commercial Portfolio Management	Lettings

Table 8 – Organisational area mapped to generic performance measure (Asset Management)

Analysis of the Finance and IT directorate and the corporate services directorate demonstrates that it is difficult to map the generic service areas. Whilst the Welsh Government impacts mapped across to the operational, front line services, of the organisation these supporting directorates underpin the operational directorates. However, the above service areas do map across to the Welsh Economy Research Unit (2008) identified performance elements, particularly those within the areas of performance reports and targets, management information and information for external reporting.

Organisation Service Area	Performance Elements
Finance and IT	Arrears Service Charges Accounts, rent arrears, vacant property statistics Business and operational plans Response to surveys Customer databases Audit reviews
Corporate Services	Training initiatives Educational sponsorship Relationships with local educational establishments Business and operational plans Team improvement plans Responses to surveys Audit reviews

Table 9 – Organisation service area mapped to generic performance measure element (support)

The above mapping analysis demonstrated in table 9 has proved useful in a number of ways. Firstly, it is encouraging to see that the organisation's service areas and performance measures are congruent with the generic Welsh housing association service areas. This suggests viable research as there are sufficient service areas to analyse, and therefore scope for intellectual capital to be employed within them. Secondly, the mapping exercise has demonstrated that a number of performance elements sit in more than one functional service area of the organisation, for example rent arrears. The additional complexity involved where the responsibility for a performance element is shared will prove challenging for the organisation and this research will need to ensure that analysis takes place across these functional areas.

If these cross-functional areas are dealt with well, they are likely to be areas that could give the organisation competitive advantage, as traditionally the communication elements and organisational processes need to work across functional areas are more difficult to undertake well (Barney, 1991). Overall, the work undertaken to map the organisation's service areas and performance measures proved useful when undertaking the research as the identification of which departments, and which of their working practices and performance measures that need to be analysed had been identified, allowing the research to focus upon them.

2.6.3 Classifying intellectual capital in use

Having identified the service areas and performance measures utilised by the organisation it was necessary to classify them according to the intellectual capital constructs proposed by Kong (2010b) and thereby link them to this research's theoretical model (see table 12). This classification will construct a link between the theoretical and practical aspects of this research and thus allows the academic theories and models utilised in the research to be used in the context of the data gathered as part of the practical aspects of the research. Already highlighted are some of the complexities involved with the measurement and reporting of intellectual capital within organisations as supported by Andriessen (2004), Charharbaghi and Cripps (2006) and Dumay (2009), and it is intended to lessen these complexities by assigning the organisation service areas and performance measures. Such classification also made the identification of possible contribution to practice and increased competitive

advantage easier as Kong's constructs map onto the likely areas of organisational competitive advantage as identified by Barney (1991). Kong's (2010b) constructs and their importance in use for organisations is stated by Kong as creating value by controlling and aligning the flow of knowledge.

Prior to mapping them as undertaken below (see table 10), their respective uses in practice are discussed. Human Capital as its name suggests is related to the human resource elements of an organisation. Kong (2010b) identifies these as attitude, competencies, experience and skills, ability to innovate and talent. Put simply, Kong suggests that the more skilled and competent an organisation's employees are, the more innovative and productive the organisation is likely to be and its importance is recognised by the ability to change to meet new demands through innovation and strategic renewal.

For social enterprises Kong (2010) posits that social entrepreneurs' leadership skills and professional knowledge can be seen as a critical source of human capital for innovation. In practice, the positive impacts of human capital will be important throughout the organisation and as identified by its strategy the corporate services directorate has the overall, formal, responsibility for the development of human capital in the organisation, but in pursuit of competitive advantage, the human capital elements of intellectual capital need to be prevalent throughout the organisation (Kong, 2010b).

Relational capital as described by Kong (2010b) represents how an organisation deals with and is perceived by its external stakeholders. This includes suppliers, board members and partner organisations and importantly the customers who utilise the services and products provided by the organisation. It is the organisation's ability to communicate with customers and learn from their requirements that is likely to allow the organisation to learn and therefore provide improved products and services. Kong (2010b) identifies how crucial external relationships are for social enterprises as they have to deal with multiple stakeholders which he identifies as including government agencies, other social enterprises, businesses, employees, volunteers and importantly customers.

In the organisation's context, relational capital is important across all departments. All housing associations are expected to focus upon their customers (Welsh Assembly Government, 2007) and it is a central tenet of the values held by the organisation used in this research. Practically it is important as good performance in this area could attract higher levels of funding from Welsh Government, and has internal benefits for the organisation in terms of less tenant turnover and attracting new tenants over the competition (that is, a number of other housing associations which have a presence within its locality). Kong (2010b, pg. 164) defines structural capital as the “...*non-human storehouses of knowledge in the organization...*” Kong further identifies databases, process manuals, strategies, routines and organisational culture as making up structural capital and emphasises the importance of this intellectual capital construct as it is purported to amplify the results of human and relational capital and therefore multiplies the overall impact of intellectual capital.

Bontis et al. (2000) highlight that individuals that leave an organisation take with them their talent, skills, tacit knowledge and creativity but structural capital is 'owned' by the organisation and therefore static. Practically, structural capital is important for the organisation as this is an intellectual capital element that it can effectively influence due to its internal nature. In the organisation's context, all departments impact upon this intellectual capital element and as Bontis et al. (2000) highlight there is much scope for effective intellectual capital structural capital in action in the intangible areas of structural capital such as processes, routines and culture. So, accepting the above definitions, the organisations' service areas and performance indicators can be mapped to the generic Welsh corresponding ones as displayed by table 10.

IC Construct	Organisation Service Area	Performance Element
Human Capital	<p>Corporate Services Directorate</p> <p>Finance and IT</p> <p>Asset Management</p> <p>Housing and Regeneration</p>	<p>Training Initiatives Educational sponsorship Relationships with local educational establishments</p> <p>Business and operational plans Customer databases</p> <p>Local labour agreements Data on employment creation for disadvantaged local residents</p> <p>N/A</p>
Relational Capital	<p>Corporate Services Directorate</p> <p>Finance and IT</p> <p>Asset Management</p>	<p>Team improvement plans Training initiatives Educational sponsorship</p> <p>Audit reviews Response to surveys</p> <p>Tenant services (repairs) Local labour agreements Data on employment creation for disadvantaged local residents</p>

	Housing and Regeneration	<p>Training initiatives</p> <p>Schemes which engage residents in community</p> <p>Tenant support initiatives</p> <p>Witness support initiatives</p> <p>Partnerships</p>
Structural Capital	<p>Corporate Services Directorate</p> <p>Finance and IT</p> <p>Asset Management</p> <p>Housing and Regeneration</p>	<p>Business and operational plans</p> <p>Team improvement plans</p> <p>Business and operational plans</p> <p>Customer databases</p> <p>Tenant services (repairs)</p> <p>Local labour agreements</p> <p>Partnerships</p> <p>Involvement with local service boards</p>

Table 10 – Organisation’s service areas mapped in intellectual capital constructs (Kong, 2010b)

The mapping exercise undertaken in table 10 proved useful by linking the intellectual capital constructs with the organisation's service area and their corresponding performance element. This allowed synergy between the theoretical and practical aspects of intellectual capital in terms of this research and aided the research through the identification of what aspect of intellectual capital needed to be analysed against the various performance elements prevalent in the organisation. Additionally, by understanding the service areas associated with each of the intellectual capital constructs development of valid and pertinent questions is aided. The questions used within the questionnaire were initially developed by analysing the organisational areas identified in tables 5 to table 10 and through an initial document analysis exercise (see section 3.5.1). The final questions as presented to participants may be seen in Appendix 3.3.

2.7 Utilising Intangible Assets Monitor to measure Intellectual Capital

Having mapped the organisation service area, identified the performance elements and then classified the performance elements according to Kong's (2010b) intellectual capital constructs it was necessary to develop a method for identifying intellectual capital in those areas. This research undertook a brief analysis of a number of the intellectual capital models that could be utilised. Sveiby's (1997) intangible assets monitor model along with Kong's intellectual capital constructs has been adapted for the purposes of this research as outlined earlier in section 2.2. This model (see table 11) will now be more fully explored in the practical context of this research and in relation to the organisation service areas.

	Intangible Assets Monitor	
External Indicators	Internal Indicators	Competence Indicators
<i>Indicators of Growth</i> Organic Growth	<i>Indicators of Growth</i> Investment in IT Investment in internal structure	<i>Indicators of Growth</i> Competence index Number of years in profession Level of education Competence turnover
<i>Indicators of renewal / innovation</i> Image enhancing customers Sales to new customers	<i>Indicators of renewal / innovation</i> Organisation enhancing customers Proportion of new products / services New processes implemented	<i>Indicators of renewal / innovation</i> Competence enhancing customers Training and education costs Diversity
<i>Indicators of efficiency / utilisation</i> Profitability per customer Sales per customer Win / loss index	<i>Indicators of efficiency / utilisation</i> Proportion of support staff	<i>Indicators of efficiency / utilisation</i> Proportion of professionals Leverage effect Value added per professional Value added per employee Profit per employee Profit per professional
<i>Indicators of risk / stability</i> Satisfied customers index Proportion of big customers Age structure Devoted customer ratio Frequency of repeat orders	<i>Indicators of risk / stability</i> Values / attitude index Age of the organisation Support staff turnover 'Rookie' ratio Seniority	<i>Indicators of risk / stability</i> Professionals pay Relative pay Seniority

Table 11 – Sveiby's intangible assets monitor model (Sveiby, 2010)

As can be inferred from table 11, several issues needed to be factored into the research in order to make the use of this model relevant to use in a Welsh organisation generally, and in a social enterprise and housing association specifically. Importantly, the identified indicators relating to sales and customers needed to be adapted to the context of the organisation, or where an indicator wasn't easily adapted it needed to be excluded from the research. This does accord with Sveiby's (1997) assertion that this model should be used contextually depending upon the organisation's strategy and the assertion that managers do not need to utilise all of the indicators, only those deemed to be important.

In particular, the external structure indicators needed to be developed to become more relevant to the organisation. The identified service delivery areas and performance elements of the organisation needed to be incorporated into the model in order to provide data relevant to the other Welsh housing associations. As the important operational dimensions of the organisation, undertaken by the housing and regeneration and asset management directorates are not adequately addressed in the 'standard' model, indicators within these areas that relate to its objectives of complying with the requirements of Welsh housing quality standard and community regeneration were used. The internal and competence structure indicators are more congruent with the performance measures undertaken within the corporate services and finance and IT directorates and less adaptation was required in these areas. With this in mind, the following adapted model (table 12) incorporated the performance elements relevant to the organisation within the intangible assets monitor framework.

Adapted Research Theoretical Model		
External Indicators	Internal Indicators	Competence Indicators
<i>Indicators of Growth</i> Asset Management: Infrastructure projects (spend on Welsh Housing Quality Standard) Spend of physical adaptation Housing & Regeneration Lettings - Structural Void properties - Structural Sheltered housing	<i>Indicators of Growth</i> Finance & IT Investment in IT Investment in internal structure	<i>Indicators of Growth</i> Corporate Services Competence index Number of years in profession - Human Level of education - Human Competence turnover - Human
<i>Indicators of renewal / innovation</i> Asset Management: Local labour agreements - Relational Data on employment creation for disadvantaged local residents - Relational Tenant services (repairs) Housing & Regeneration Schemes which engage residents in the community - Relational Tenant support initiatives - Relational Witness support initiatives - Relational Partnerships - Relational Involvement with local service boards - Relational	<i>Indicators of renewal / innovation</i> Corporate Services Proportion of new products / services - Structural New processes implemented - Structural	<i>Indicators of renewal / innovation</i> Corporate Services Training and education costs - Human Diversity - Human Training initiatives - Human Educational sponsorship - Human Relationships with local educational establishments - Relational

<i>Indicators of efficiency / utilisation</i> Asset Management: Energy efficiency & environment initiatives - Structural Housing & Regeneration Lettings - Structural Void properties - Structural Arrears – Structural	<i>Indicators of efficiency / utilisation</i> Corporate Services Proportion of support staff - Structural	<i>Indicators of efficiency / utilisation</i> Corporate Services Proportion of professionals Leverage effect Value added per professional Value added per employee
<i>Indicators of risk / stability</i> Finance & IT and Corporate Services Satisfied customers index - Relational Accounts, rents arrears, vacant property statistics - Structural Age structure of customers - Relational Responses to surveys - Relational Audit reviews - Structural	<i>Indicators of risk / stability</i> Corporate Services Values / attitude index - Human Age of the organisation - Structural Support staff turnover - Human ‘Rookie’ ratio - Human Seniority	<i>Indicators of risk / stability</i> Finance & IT Professionals pay Relative pay - Human Seniority - Human Business & operational plans - Structural

Table 12 – Adapted research theoretical model

Key – All highlighted text represents the mapping of Kong’s (2010b) intellectual constructs into Sveiby’s (1997) intangible assets monitor model. Human, structural and relational each refer respectively to Kong’s identified intellectual capital constructs (defined in sections 1.3.1 to 1.3.3)

Table 12 demonstrates the completed, adapted theoretical research model utilised by this thesis. It is built upon Sveiby's (1997) intangible assets monitor model (see section 2.2.11 and table 11) with Kong's intellectual capital constructs overlaid upon it. This model having identified and mapped the above indicators as demonstrated by table 12 allowed the research to focus on the above areas and the data gathering instruments (identified in chapter three, sections 3.5.1 to 3.5.3) were developed in congruence with them. To summarise the practical context of the research, a mapping exercise took place to classify the service areas and performance measures against Kong's (2010b) intellectual capital constructs and then finally these elements were included in an adapted version of Sveiby's (1997) intangible assets monitor model which the research ultimately used to test for intellectual capital in use. The activities undertaken in pursuit of the mapping exercises and the resulting adapted intangible assets monitor model showed that this research was viable, and that appropriate access to data for research and analysis purposes was available.

2.8 Chapter Summary and Conclusion

This chapter set out to discuss the theoretical and practical context of research entitled "An analysis of Intellectual capital within a social enterprise context." As such a literature review of the academic domain of intellectual capital was undertaken and followed up with a description of how the research would then be undertaken practically. Limited literature reviews were undertaken with regards to the secondary disciplines, i.e. competitive advantage and housing associations. Intellectual capital was identified as an academic domain in its own right, but is still thought of as having teething problems by O'Donnell et al. (2006), emergent by Sanchez et al. (2009) and embryonic by Serenko et al. (2010). The dominant theories of intellectual capital in the context of this research were identified as a proliferation of possible definitions, practitioner led, too many theories with minimal empirical research, issues of agreement on reporting and a plethora of available measurement models. Much extant literature for intellectual capital was discovered, but little with relevance to intellectual capital within housing associations, although there was a body of literature relevant to intellectual capital within social enterprises which were congruent to its use within this context. This research focused upon best practice and value creation rather than profit. This chapter highlighted the multiple definitions of intellectual

capital that have been offered by previous research, and for the purposes and context of this research, has adopted Edvinson and Malone's (1997) definition (see section 1.3 in chapter one).

Kong's (2010b) intellectual capital constructs (human, relational and structural) were introduced and it was stated that they would be used for classification purposes as the research progresses, and would actually form part of this research's conceptual framework. Dumay's (2009) criticism of intellectual capital being too practitioner led and Frappaolo's (2006) concern of technology dominating the discipline were noted and again lends efficacy to this research. Joia and Lemos (2009) highlighted the importance of intangibles within intellectual capital and it was stated this would be relevant when undertaking the practical analysis of identifying intellectual capital in use. From the literature review it was noted that research exists that suggests that in practice intellectual capital has had minimal positive effect (Dumay, 2009). In recognition of this, the research sought to identify if intellectual capital is in use within the organisation, and the effectiveness of it, as opposed to evaluating a specific intellectual capital implementation or project. Intellectual capital reporting and measurement were identified as dominant theories within intellectual capital and the plethora of existing intellectual capital models was outlined (Sveiby, 2010) and a number of the exemplar models were discussed. Sveiby's (1997) intangible assets monitor model was chosen to be utilised by this research and this in conjunction with Kong's (2010b) intellectual capital constructs was adapted in order to develop the conceptual framework for this research.

Practical mapping exercises were undertaken and provided useful in confirming the availability of data, and viability of research. Commencing with the Welsh Government identified generic housing association workflows, these were mapped to the service areas and performance elements of the organisation which proved congruent. Further mapping took place in order to link Kong's (2010b) intellectual capital constructs and Sveiby's (1997) intangible assets monitor model which were adapted for use with this research. It is interesting to note the links between Kong's (2010b) intellectual capital constructs, Barney's (1991) competitive advantage elements and Sveiby's (1997) intangible assets monitor model. This exercise

signposted the areas of the organisation to be questioned and this allowed a more focused development of the questions required in the questionnaires and interviews.

Overall, this chapter demonstrated that the research is viable. The required data for future analysis is evidenced as available, and the practical mapping exercise has outlined where in the organisation the research will take place. Additionally, the research answers some of the concerns raised by the literature review which were that intellectual capital needs to be academic rather than practitioner led, research should utilise existing models as many already exist, the need to take an empirical approach, and demonstrated an ability to contribute to critical thinking and professional practice. Upon completion of the literature review three research questions were developed. Research question one is defined as:

“To what extent is the organisation employing the intellectual capital construct of human capital?” Kong’s definition of this intellectual capital construct may be seen in chapter one, section 1.3.1.

Research question two is defined as:

“To what extent is the organisation employing the intellectual capital construct of structural capital?” Kong’s definition of this intellectual capital construct may be seen in chapter one, section 1.3.2.

Research question three is defined as:

“To what extent is the organisation employing the intellectual capital construct of relational capital ?” Kong’s definition of this intellectual capital construct may be seen in chapter one, section 1.3.3.

The following chapter (chapter three) discusses the research methods used and discusses the development of the instruments that were used to collect the data in support of the research questions and overall research aim.

Chapter Three - The Methodological Framework and Methods for Data Collection

3.0 Introduction

This chapter discusses the research methodology utilised in this thesis. Research philosophies are introduced (section 3.1), and it is stated that this research is aligned with an interpretivist approach. It is acknowledged that this approach encompasses a subjective stance which may affect phenomena under study. Quantitative and qualitative research methods are compared (section 3.2.1) and it is stated that this research will utilise a qualitative approach. Scientific instruments available to the qualitative researcher (section 3.2.3) are introduced and their purported strengths and weaknesses are discussed. For the purposes of this research, document analysis (section 3.5.1), questionnaires (section 3.5.2) and interviews (section 3.5.3) are identified as data collection methods. Triangulation (section 3.6.4) and its association with the use of a multi-methods approach is discussed. The use of the NVivo computer program (section 3.6.4) product to manage data and associated coding is stated.

Data sources (section 3.2.4) and an 'insider' status (section 3.3) is stated and highlights of where and how bias may occur are discussed. Lincoln and Goober's (1985) model (table 21) is utilised in order to develop a framework for this research and from this adapted model the questionnaire and interview instruments are operationalised (section 3.5). The ethical considerations (section 3.6 and Appendix 3.6) of this research are raised and the research's ethical statement is outlined. In conclusion, the chapter summary highlights assertions, identifies constraints and points of note.

3.1 Research Philosophy

The elements of research philosophy may be thought of as comprising research paradigms, ontology and epistemology and they are recognised as important influences in the way research is designed, implemented and analysed. Flowers (2009) states the importance of ensuring congruence between the type of research inquiry and the methods used in order to minimise researcher biases.

Blaikie (1993) describes ontology as a researcher's view on the nature of reality and specifically if that view is objective or subjective. Thorpe et al. (2008) highlight the

three main ontological positions thus, representationalism, relativism and nominalism. This research will adopt the stance of relativism which has been posited by Collins (1983) as allowing the truth to vary according to context of the research. The importance of this approach to the research is that it sought data from multiple sources and allowed generalisations to be made from it, if appropriate. The ontological position of this research is shaped by the complexity of the organisation, its relative youth and the pace of change identified within it. In addition to this, the history and antecedents of the organisation's inception (setup by the transfer of staff and services from a local authority) mean that roles and staff behaviour influenced the ontological position. This specifically refers to a group of transferred staff who appear, from the research, to be disaffected. This state of disaffection has polarised perceptions within the organisation. Transferred staff can appear to be overly pessimistic in their views of the organisation, whilst completely new staff may appear overly optimistic. The ontological position is also influenced by the organisation's dichotomous position on aspiring to be led by customers, but in reality only being able to rely upon a small number of involved customers, all of a similar demographic. Linked closely to ontology is epistemology which Thorpe et al. (2008) argue for as the need to consider the appropriate view of enquiring into the nature of the world. Hatch and Cunliffe (2006) summarise the inter-dependent relationship between ontology and epistemology as each both inform, and depend upon, the other.

The literature returns an extant body of research around the academic domain of intellectual capital made up of both qualitative and quantitative endeavours. This research therefore adopted an approach that accorded with the need to accept multiple realities and that complements the epistemological stance of an interpretivist. The criticality of aligning ontology, epistemology and research methodology and methods for data collection are discussed in the following sections. Plack (2005) states that there are a number of research paradigms that can be utilised when undertaking academic research.

These paradigms are a set of beliefs that define the world and an individual's place in it. Importantly these beliefs determine the criteria of the most appropriate research method. Research paradigms, or philosophies, are encompassed by the term

epistemology which refers to an individual's approach to knowledge about knowledge as posited by Johnson and Duberley (2000). Hofer (2001) highlights their importance by stating an individual's epistemological preference affects how they learn, reason and exercise judgement throughout their life. It is this influence on judgement and reasoning that is important to this research as it guides the research methodologies chosen for this thesis, and influenced the analysis of the data gathered as a result of the operationalisation of these methods. Crotty (1998) highlights the importance of understanding how the researcher's theoretical perspective or way of looking at the world governs the research methodology to be utilised, and ultimately the methods of research used, and cautions the researcher to be aware of this phenomenon. This perspective is agreed with by Laing (1967) who states that human action must be understood to make it intelligible. The above authors make a compelling case for ensuring that researchers select their research methods carefully in order to minimise the negative effects that could result by not understanding their own epistemological stance.

Two main epistemological approaches are identified in the academic literature (Galliers, 1991) these being positivist and anti-positivist. Plack (2005) suggests that positivists approach research in a very objective, controlled, rigid, and rigorous manner; attempting to reach a scientific truth. As such, a researcher with a positivist epistemology would value research that was undertaken in a scientific fashion and that gives data with which to conduct statistical analysis in order to test hypotheses. As Plack (2005) goes on to suggest research undertaken by positivists is likely to be devoid of opinions, beliefs, assumptions and feelings, and as such is objective. Levin (1988) agrees with this stance and concurs that positivist research is undertaken from an objective viewpoint and that the research should be capable of being undertaken without interfering with the phenomena being studied.

Whilst researchers recognise the rigour associated with a positivist research paradigm a possible weakness is a lack of insight into activities and interventions taking place behind the data as suggested by Plack (2005). An opposing epistemology is identified as interpretivist or anti-positivist by Galliers (1991) and Plack (2005) and this paradigm was defined by Orlikowski and Baroudi (1991, pg. 15) thus:

“Interpretive studies assume that people create and associate their own subjective and intersubjective meanings as they interact with the world around them. Interpretive researchers thus attempt to understand phenomena through accessing the meanings participants assign to them.”

Research undertaken by an interpretivist approach is therefore subjective and acknowledges that researchers may affect the phenomena that is being studied. Benbasat et al. (1987) posit that neither the positivist or interpretivist approach is more effective than the other and there is an argument that a combination of approaches will lead to improved research as stated by Kaplan and Duchon (1988) and Plack (2005) who advocates a “pluralistic” approach particularly with regards to social science related research. In addition to the importance of the researcher understanding their epistemological stance towards the research is the need to recognise that this stance will affect the research methodologies that should be employed (Yates, 2004). Relevant to the two available research methodologies as identified by Yates (2004), that is quantitative or qualitative approaches, Galliers (1991) identified available research methods and their conformation to either the positivist or interpretivist stances and these are demonstrated in table 13.

Positivist / Scientific stance	Interpretivist / Anti-positivist stance
Laboratory experiments	Subjective / argumentative interviews
Field Experiments	Reviews
Surveys	Action Research
Case studies	Case studies
Theorem proof	Descriptive / Interpretive
Forecasting	Futures Research
Simulation	Role / Game Playing

Table 13 – Taxonomy of Research Methods (adapted from Galliers, 1991)

Table 13 proved useful as it confirmed that the approaches thought as being most congruent with this research also accord well with the interpretivist stance adopted by the researcher. With this in mind, the researcher accepted a subjective approach to the research, likely heightened through working within the organisation to be researched and recognised that it adopted an interpretivist approach and needs to choose complementary research methods. Sveiby’s (1997) intangible assets monitor model, along with Kong’s (2010b) intellectual capital constructs (table 12) form the author’s

theoretical framework, and this model has been used to identify the questions that form the research through the questionnaire and interviews. The author will utilise the elements of this model (table 12) in order to frame instances of intellectual capital in use within the firm. The model was used at a departmental level rather than at an organisational level. The rationale for how the questions within the questionnaire were developed to link to this research's theoretical model may be seen in table 22.

3.2 Methodology and Methods

3.2.1 Quantitative versus Qualitative approaches

The literature identifies two main research methodologies available to social science researchers. These are qualitative and quantitative methods as posited by Yates (2004) and Silverman (2005). Patton (1990) suggests that researchers have long debated the relative value of these inquiry types. Hoepfl (1997) states that each method is fundamentally different and that research actions are based on the underlying assumptions of the methods. This statement rendered it important that the researcher understands what they wish to achieve, and how they intend to achieve it. The quantitative approach is defined by Newman and Benz (1998) as starting with a hypothesis and then testing for confirmation or otherwise of that hypothesis. This is supported by Hoepfl (1997) with the assertion that quantitative research uses scientific methods and quantitative measures to test hypotheses.

It is interesting to note that Hoepfl indicates a synergy between quantitative measures and a positivist epistemological philosophy. Yates (2004) links the approach with numerical evidence and statistical analysis and positions it with natural science research where the control of elements under examination is important. The author goes on to state that quantitative research has been highly informed by the positivist agenda and this view is backed up by Silverman's (2005) assertion that quantitative researchers aim toward science.

In comparison, qualitative research is defined by Newman and Benz (1998) as an approach used when observing and interpreting reality with the aim of developing a theory that will explain what was experienced. As a stark contrast to quantitative methods Strauss and Corbin (1990) posit that qualitative research is one that produces

findings not arrived at by means of statistical procedures or other means of quantification. Hoepfl (1997) cautions that qualitative researchers must be responsible for discovering and interpreting the import of research results and making a plausible connection between that observed and conclusions drawn from it. Hoepfl (1997) then summarises the differences between these methodologies by stating that quantitative researchers look for causal determination and prediction of findings, qualitative researchers look for illumination and understanding from the data.

Having outlined the main differences between the quantitative and qualitative approaches it becomes important for the researcher to understand where their preference in context to their philosophical stance and research lies. Although it should be noted that Eisner (1997) advocates that quantitative and qualitative approaches may be combined, but warns qualitative researchers against taking the stance of a soft form of positivism. In order to ensure this preference is valid the following criteria (table 14) were utilised as posited by Lincoln and Guba (1985) and Firestone (1987). Table 14 displays the criteria required for either qualitative or quantitative research based around four variables.

	Quantitative	Qualitative
Assumptions	Reality through facts	Reality socially constructed
Purpose	Understanding	Causes
Approach	Experimental / correlational	Ethnography
Research Role	Detached	Immersed

Table 14 – Criteria for choosing research method (Adapted from Firestone, 1987)

Building upon the criteria demonstrated in table 14 further criteria demonstrating the differences between the research methods are displayed in table 15.

Quantitative (Conventional terms)	Qualitative (Naturalistic terms)
Internal validity	Credibility
External validity	Transferability
Reliability	Dependability
Objectivity	Confirmability

Table 15 – Differences between research methods (Adapted from Lincoln and Guba, 1985)

Having utilised the above criteria as a guide, by contextualising the research questions and in conjunction with the stated philosophical stance it can be asserted that this research chose to utilise the qualitative method. This perspective accords well with the qualitative research methods that will be used to collect and analyse data as suggested by Morgan and Smircich (1980) and Weber (2004). The research methods consist of a case study approach made up of document analysis, questionnaires and interviews; this is in line with a qualitative approach (Weber 2004). The literature review undertaken in chapter two identified frequent use of qualitative research in the intellectual capital literature, particularly Benevene and Cortini (2010), Mesa (2010) and Sillanpaa et al. (2010). Notable work included Sveiby (1997), Abdolmohammadi (2005) and Guthrie et al. (2006) and the extant literature provides many examples of various qualitative methods (interviews, questionnaires, focus groups and case studies) being used to further the intellectual capital academic domain. The frequent previous use of the qualitative methodology adds weight to the chosen research methodology as it can be seen relevant to much previous research.

Qualitative approach

Hoepfl (1997) highlights the prominent characteristics of qualitative research as demonstrated in table 16. As demonstrated by table 16 these characteristics may be identified as the strengths of this methodology and it is interesting to note the synergy between the interpretive nature of the method and how well it accords to the interpretivist philosophy with which this research will be undertaken. However, the qualitative method literature does identify weaknesses.

	Characteristic of qualitative research
1	Uses the natural setting as the source of data. The researcher attempts to observe, describe and interpret settings.
2	The researcher acts as the “human instrument” of data collection.
3	Predominant use of inductive data analysis.
4	Research reports are descriptive, incorporating expressive language.
5	Interpretive character, aimed at discovering the meaning events have for the individuals who experience them, and the interpretations of those meanings by the researcher.
6	Researchers pay attention to the idiosyncratic in addition to the pervasive, seeking the uniqueness of each case.
7	Research has an emergent (as opposed to pre-determined) design, and researchers focus on this emerging process in addition to the outcomes or products of the research.
8	Research is judged using special criteria for trustworthiness.

Table 16 – Characteristics of Qualitative Research (adapted from Hoepfl (1997))

Table 17 highlights these weaknesses. This thesis found it important to be aware of such weaknesses in order to mitigate against them when operationalising the research, for example being aware of the amount of time to collect and analyse data and therefore choosing an appropriate number of participants.

	Weakness of approach
1	Possibility of conflict between one's role as a participant and one's role as a researcher (biases and idiosyncrasies).
2	Qualitative studies cannot provide grounds for generalising across cases.
3	Immersion in a qualitative study can lead to either or both 'going native' and 'macro blindness'.
4	Research can be a high-risk, low-yield enterprise.
5	It can take time to negotiate access, assemble a sample, develop trust and rapport.
6	It might have lower credibility with some administrators and commissioners of programs.
7	It generally takes more time to collect the data when compared to quantitative research and data analysis is often time consuming.

Table 17 – Weaknesses of Qualitative Research (Adapted from Woods (2006))

In support of the possible weaknesses demonstrated by table 17, Atkinson (1990) provides a further summary of qualitative research weaknesses. The author suggests that this form of research may be lacking in precision and warns against the use of jargon or selective examples. It is interesting to note that Hoepfl's (1997) comments on qualitative methods, specifically around the "emergent" aspects of qualitative research design, further supports the researcher's choice of this methodology. Having identified the above possible weaknesses, the author has noted them and remained aware of them whilst undertaking the research. In order to overcome potential problems with selective examples being chosen, the questionnaire and interview participants were picked to represent wide organisational demographics (the results of which are demonstrated in tables 23 to 30).

3.2.2 Methods

Within the qualitative methodology there are a number of methods or research instruments available to the social science researcher. In Table 13 Galliers (1991) outlined a number of available instruments. To these Silverman (2005) adds interviews, questionnaires, ethnographies or research through observation, texts, audio tapes and video. Yates (2004) further highlights in-depth interviews, focus group interviews, participant observation (where researcher takes part in the phenomena being studied) and non-participant observation (where researcher does not take part in the phenomena being studied) as valid research instruments. This section focuses on the methods that will be used within this research. As Miles and Huberman (1984) point out, if the researcher is clear what information they wish to solicit the choice of methods to use becomes apparent.

Therefore, it is asserted that this research will be undertaken in a mixed method fashion and will utilise a case study approach made up of interviews, questionnaires and analysis of selected texts, and the following sections will seek to determine the strengths and weaknesses of these approaches. The case study approach will allow the research to be set in the context of the firm, and as advocated by Yin (1981) allows multiple sources of evidence to be used thus, according to Morgan (1999, pg. 305), allowing the research to:

“...render the rich texture of a situation in a way which will allow the reader to gain some experience of the situation and understand the patterns and processes involved so that he may use them as key insights or key learnings that may have relevance in understanding similar situations in other contexts.”

A further comprehensive definition of a case study is provided by Djebarni (1993, pg. 141) who asserts:

“The case study usually involves the in depth study of a specific setting rather than a random sample. The researcher relies on a repertoire of instruments to collect data including informed interviewing, the use of knowledgeable informants and participation in and do observation of events as they happen.”

The remainder of this section will discuss the how the instruments that is document analysis, questionnaires and interviews were used in this research.

Document Analysis

Initial analysis (which would go on to support the development of the interviews and questionnaires) was undertaken of documents pertinent to the discrete organisational areas being analysed. These texts were available strategy and policy documents again related to that discrete work area. McKee (2003) offers a simplistic definition of document analysis as a way for researchers to gather information about how others view the world. This research utilised the resulting data from the document analysis to identify further themes and to set organisational context.

For the purposes of this research, document analysis was undertaken to discover initial themes that would enhance and enrich the development of the questionnaires and interviews. The analysis itself was undertaken through the use of a computer program specially designed to provide a level of automation to the analysis (Weitzman and Miles, 1995).

Questionnaires

Questionnaires were utilised as the prime data collection method. The purposive, heterogeneous sample (Yates, 2004) was made up of 35 respondents that together

represent each of the four directorates of the organisation, see figures 3 and 4, (thus allowing the research to compare and contrast between different areas of the firm), and that represents a mixed demographic (age, gender, experience etc.) that will allow for richer analysis. Morgan (2011) urges the researcher to be aware of the following strengths and weaknesses of utilising questionnaires as a research instrument and these are demonstrated in table 18.

Strengths	Weaknesses
Possible for large number of respondents in quick time-scales	Possible poor response rates
Capable of computer analysis	Unlikely to get 'rich' data
	Need to get it right first time
	Questionnaire fatigue

Table 18 – Strengths and Weaknesses of the Questionnaire Research Method (Adapted from Morgan (2011))

Yates (2004) highlights three important facets of utilising questionnaires as measurement, sampling and design and administration and this research seeks to ensure that the questionnaires are given to appropriate actors within the organisation, and seeks to capitalise on the ability to perform computer analysis as identified by Morgan (2011). Yates (2004) cautions that questionnaires need to be designed with the researcher's ultimate goal in mind, and that issues such as administration and analysis of results need to be well thought through before operationalisation of the questionnaires. Yates (2004) goes on to state that questionnaires may draw upon either open or closed questions and posits that closed questions are more commonly used within questionnaires, thereby giving respondents a limited number of options to choose from. This approach allowed synergy, as the interview results provided complementary 'rich data'. Cannel and Kahn (1968) suggest a number of issues that need to be addressed whilst designing closed questions, and these include questionnaire objectives, amount of information held by respondents, likely structure of the respondents' ideas, concepts, respondents' motivation and prior knowledge of the respondents within the study. The insider approach to this research allowed the designed to be relevant and this helped with completeness of final answers and the relatively high rate of questionnaire returns.

There are a number of types of closed question that could be utilised within social science research, and Yates (2004) suggests these are direct questions (such as “how old are you?”), two-way questions (such as “yes or no?”), multiple-choice questions (such as “yes, no or don’t know?”) and scaled questions (where the respondent is asked to indicate a score on a scale (such as “strongly agree, agree, uncertain”) where these options have values assigned to them. A mixture of question styles were utilised within this research in order for the author to capture a wide range of relevant data towards the research questions. Closed questions were used for demographic responses as these allowed ranges of answers to be identified and aid subsequent analysis. Open questions were used where the research wished to elicit more comprehensive answers that give a greater depth to the data and ultimately allow for a greater range of analysis. The questions utilised in this research are demonstrated in Appendix 3.2. Through piloting and choosing an analysis method prior to undertaking the questionnaire, an understanding was gained of what information needed to be collected and how questions were most effectively presented.

The questionnaires were administered as phase two of the research, and allowed captured themes and areas of interest to further inform the questions to be administered through interview.

Interviews

This research then utilised interviews which were undertaken with eight actors who have an appreciation of their own departments and an understanding of strategy and operations across the organisation thus allowing for an informed perspective and allowing richer data to be collected. The number of interviews was limited to eight because of the expected level of resulting data that would need to be collated and analysed and this is in-line with Yates' (2004) assertion that the interview process can be extensive and difficult. Woods (2006) proposes the following strengths and weaknesses to the interview method and these are demonstrated in table 19.

The various strengths of this method is of course the main reason it was chosen for use in this study. Being aware of the identified weaknesses allowed the research to be developed and operationalised in such a way as to reduce or remove them. Hoepfl (1997) and Yates (2004) identified the three possible approaches to interviews as informal (almost conversational), unstructured (open-ended) and semi-structured. The semi-structured approach appears to accord well with the aims of this research, so it is that when designing and undertaking the interview the elements associated with it were taken into account. Kvale (1996) identified a number of question types that may be used in an interview as introducing questions, follow-up questions, probing questions, specifying questions, direct questions, indirect questions, structuring questions, silence and interpreting questions. An interview approach was suitable for this research as the author had arranged access to the respondents, the cost of the approach was relatively low and the interviewees could be picked to represent the relevant functional areas of the organisation. The research employed a semi-structured approach.

Strengths	Weaknesses
Interviewee gets the chance to challenge the agenda set by the researcher, raising new issues, asking questions back	Standardised procedures – Possible to change the way a question is put from one interview to the next, or for one interviewer to differ from another in the way the same topic is raised, thus making it difficult to know that all the responses have the same stimulus
Allows the researcher to probe the meanings interviewees give to their behaviour, ascertaining their motives and intentions	Comparability - flexibility brings dangers in that the same topics may not be addressed or may be addressed in a different order thus making comparisons difficult
Gives informants the opportunity to check what is meant by a question	Objectivity - the interviewer may lead the respondent, shaping responses through the tone in which questions are asked, non-verbal clues (e.g. nodding the head) and sighs of affirmation or gasps of incredulity
Allows for long and complex responses	Simplicity - the responses may become so complex as to make analysis very difficult if not impossible
Flexible - making possible changes in the order of questioning, the questions asked and the topics discussed	Numbers - given the time interviews take it is difficult to survey large numbers of respondents
Allows probing and in-depth analysis	Anonymity - hiding identities is not possible, in so far as the informant is revealed to the researcher in face-to-face meetings

Table 19 – Strengths and Weaknesses of the Interview Research Method (Adapted from Woods (2006))

Justification for this qualitative approach and the methods utilised within it may be taken from the fact that Kong's (2010 and 2010b) research was undertaken in a qualitative fashion and that other contemporary intellectual capital research in social enterprises utilised a combination of the methods utilised here. Specifically, Benevene and Cortini (2010), Mesa (2010) and Sillanpaa et al. (2010), all made use of interviews. Sillanpaa et al. (2010) utilised interviews across the organisation's management which is the approach this research adopted. Reyhav and Sharkie (2010) made use of questionnaires in their research and Benevene and Cortini (2010) utilised document analysis in their research. All of the authors referred to as justification of this approach also feature prominently in this research's literature review (chapter two) and contribution to knowledge chapter (chapter five).

3.2.3 Data Sources

For the purposes of the main analysis, all data sources were internal to the firm. This included respondents for interviews and questionnaires and the strategy and policy documents that were utilised in the document analysis. This made the logistics of data gathering relatively easy and cost effective.

3.2.4 Triangulation

Hammersley (2008) identified several of definitions in use throughout academia with reference to triangulation. The author summarises them as validity-checking, indefinite, as seeking complementary information and as an epistemological dialogue. The above definitions build upon Eisenhardt's (1989) assertion that triangulation, made up of multiple data collection instruments gives stronger substantiation of constructs and hypotheses. Silverman (2005) highlights that many researchers make use of multiple methods or research instruments, and in these cases triangulation is used to corroborate data from different sources, which conforms with Hammersley's validity-checking definition.

This research adopted Hammersley's (2008) stance of utilising triangulation in order to seek complementary information and the researcher remained aware of the possible difficulties encountered in attempting to aggregate research data, interview data and textual analysis data. Indeed, rather than uncovering any dichotomous results, the

aggregation of questionnaire data, interview data and document analysis showed the themes within the data to be congruous.

3.3 Position Statement

Patton (1990) calls for a neutral stance whilst undertaking research and asserts that empathy links to the people being researched whilst while neutrality links to the findings of the research.

Bias

This need to be aware of one’s stance towards the respondents within the research is further expounded by Strauss and Corbin (1990) who state the researcher needs to be aware of the subtleties of data and needs the capability to discover the pertinent results. A phenomena that could alter a researcher’s stance towards either respondents or findings is bias and Murphy (1976) defines this as possible inferences within the research that may produce conclusions significantly different to the truth.

Sackett (1979) cautions that bias maybe pervasive and highlights that it can affect the following stages of research as demonstrated by table 20.

	Stage of Research Where Bias May Occur
1	In literature review of field to be studies
2	In selecting the study sample
3	In executing the experimental exposure
4	In measuring exposures / outcomes
5	In analysing the data
6	In interpreting the analysis
7	In publishing the results

Table 20 – Research Stages where Bias may occur (Adapted from Sackett (1979))

Table 20 is included to demonstrate that this research was aware of these possible negative outcomes and sought to overcome them by choosing a wide demographic for the questionnaire respondents, by interviewing a large percentage of the leadership team and triangulating these results with a document analysis of several important (strategy and policy) organisational documents.

Insider position

Hoepfl (1997) highlights the need for the researcher to be aware and indeed overcome bias and warns that a researcher's credibility relies on the confidence readers have in the researcher's ability to analyse the data sensitively. In addition to the issues associated with bias, Mercer (2007) describes insider research as that which takes place at the researcher's workplace (or other organisation where the researcher is well known). Merton (1972) further refines this description by stating insiders are members of groups being researched. Simmel (1950) defines the outsider research approach as the most objective due to a detachment from that being researched and therefore giving the ability to analyse phenomena with less prejudice. In this instance, the researcher adopted an insider role due to working within the organisation that will form the basis of this research, and therefore needed to understand the possible consequences of adopting such an approach, that is possible bias to either specific interviewees or specific data. Hence the demographic of the participants chosen for this research (see tables 23 to 30).

Power Positions

Kelman (1972) introduced a further social research phenomena that needed to be factored into the design and operationalism of the research in an effort to ensure that the research was not skewed, and this took the form of power relationships between the researcher and respondents. Kelman (1972) identifies positions of 'relative disadvantage' within society in general and within the research situation itself. With reference to the assertion of 'relative disadvantage within society' or in the context of this particular research, Kelman highlights the dichotomous situation that occurs where high-status individuals within the organisation either sponsor or conduct research with data elicited from respondents in low-status positions and urges the use of mechanisms for overcoming these issues.

Kelman goes on to suggest that within reason respondents should be able to question, challenge or complain about the way they are being utilised in the research. In this research, these phenomena were particularly important as the author is an insider, and a senior manager within the organisation. With these assertions in mind, the author

realised the importance of the position and relationship with the research respondents and the need to be aware of the issues of bias throughout the research and analysis, and therefore sought to mitigate these issues when operationalising the research. Such mitigation took the form of fully explaining why the interviews were taking place, fully explaining the interview process and what would happen to the data afterwards and allowing interviewees the ability to comment upon the set interview questions (the questions are set out in Appendix (3.3)) in order to set their contexts.

3.4 Research Design and Data Collection

Social science research literature warns researchers to pay attention to the important issues of gaining permission for the research (Kent, 1996), identification of the target population for research (Yates, 2004) and gaining access to these identified respondents (Lofland and Lofland, 1984). Likewise, sampling those respondents (Yates, 204), how to make use of these resources through scheduling and timing (Yates, 204) and knowing when to stop gathering data (Bowen, 2005). Permission for the research was gained from the organisation, and from the individuals who undertook the questionnaires and interviews. Formal permission was requested and gained from the chief executive of the housing association utilised in this research, and a copy of that permission is included at Appendix 3.4.

Yates (2005) reminds researchers that an important aspect of the research is how to identify the target population, and how to gain access to them. This research, through the researcher's insider status had knowledge of those staff that he wanted to participate. These staff were chosen to ensure that all directorates of the organisation were included (see figure 3) and to ensure that all functions within the organisation were included (see table 4). Kent (1996) uses the term informed consent to refer to what the researcher needs to make clear to the research respondents prior to them giving their individual permission. Kent suggests they be told the reason for the research, how recorded data will be held, its utilisation and how anonymity will be maintained. Therefore, for this research all respondents (questionnaire and interview) were approached and given an explanation for the reasons of the research and specifically asked if they would like to participate. Only those replying in the positive were then presented with either a questionnaire or interviewed.

Yates (2005) urged the consideration of a technique labelled sampling to aid the selection of research participants. This research utilised the purposive sampling technique which Hoepfl (1997) puts forward as the dominant strategy in qualitative research and which, in this research caused respondents to be picked according to the area of the organisation that they work in. The demographics of the respondents to both questionnaires and interviews may be seen in tables 24 to 30, and these demonstrate the breadth of participants in relation to role, gender and age. In addition to wishing to analyse across the organisation it was intended that such a demographic would help remove bias.

Yates (2004) highlights the practicality of access to the respondents. As previously set-out in this section, the researcher undertook an 'insider' approach, and was in a position to influence access and to facilitate the practicalities of scheduling and timing the research interventions. This approach was successful as shown by the rate of respondents which is demonstrated in table 23.

Knowing when to stop gathering data, also referred to as reaching saturation point is also cautioned within the body of social science research. Bowen (2005) defines saturation as when the researcher can no longer connect data to their hypothesis in a meaningful fashion. Lincoln and Goober (1985) developed a comprehensive model which researchers can utilise to design their approach to the research interventions. This is demonstrated in table 21.

This model has proved useful in framing the approach to operationalising the research and it provided a greater understanding of where the data was to be collected from, in what order, and gave some initial ideas around how it would be analysed. It was utilised to clarify the links between the different research stages, to aid in planning the logistics of undertaking the data collection, to confirm data that would be available for future analysis and to confirm which research methodology and scientific instruments were adopted.

Lincoln & Goober's Design Step	Approach with regards to this research
Determine a focus for the inquiry. This should establish a boundary for the study, and provide inclusion/exclusion criteria for new information. Boundaries, however, can be altered, and typically are	Therefore, the study will focus upon all of the functional areas of the organisation, and as such staff and documents from these areas will provide the primary source of data, and actors who make most use of their services (internal to the firm) will provide the secondary data source
Determine the fit of the research paradigm to the research focus. The researcher must compare the characteristics of the qualitative paradigm with the goals of the research	Chapter 3, section 3.2.3 of this thesis state the congruence between the research focus, the research methods used and makes a link to where these methods have been used previously with reference to intellectual capital in social enterprises
Determine where and from whom data will be collected	Data was collected from documents relevant to those areas chosen to be focused upon. Likewise the interviews and questionnaires were targeted to actors within these areas, or organisational sections
Determine what the successive phases of the inquiry will be. Phase one, for example, might feature open-ended data collection, while successive phases will be more focused	The questionnaire was undertaken firstly. Results from this informed areas for refinement within the next research phase, the interviews. Lastly the relevant documents were subject to text analysis
Determine what additional instrumentation may be used, beyond the researcher as the human instrument	In support of the researcher's interventions through interviews, there were further instruments of questionnaires and text analysis. Software to aid with both of these methods was sourced
Plan data collection and recording modes. This must include how detailed and specific research questions will be, and how faithfully data will be reproduced	Chapters three and four of this thesis deal with the operationalism of the research
Plan which data analysis procedures will be used	Data will be analysed through transcription and coding, where axial, open and serial coding phases will be utilised
Plan the logistics of data collection,	The documents required for text analysis were obtained. Software to

including scheduling and budgeting	facilitate the analysis of the questionnaires (deployment and analysis), interviews (recording and analysis) and documents were procured. Respondents were interviewed at the firm's offices at mutually convenient times. There were no budget requirements. The scheduling of the questionnaires and interviews was undertaken during October to December 2011
Plan the techniques used to determine trustworthiness	In line with Rolfe (2004) the researcher sought to ensure that this research is credible (open to internal validation), transferable (open to external validation) and confirmable (through unbiased presentation)

Table 21 – Research design specific to this research (Adapted from Lincoln and Goober (1985))

3.5 Operationalisation

It should be noted that this research is limited to a cross-sectional analysis which Gable (1994) defines as providing a snapshot of the situation at a certain point in time.

3.5.1 Document Analysis

There were a number of organisational documents of both an external and internal nature that were utilised for document analysis. Namely: organisational strategy, annual review, resident participation strategy and the IT strategy. Access was available to electronic copies of these documents and a software program to assist with analysis was utilised. Document analysis or as Silverman (2005) puts it content analysis is where researchers establish a set of categories in preparation for analysis. Atkinson and Coffey (2004) cautions the researcher that these documents or texts are not transparent representations, rather they represent the context of that being analysed. This was deemed particularly appropriate for this thesis as the theoretical model used is contextual (see section 2.2.10).

Thus it was determined to recognise these documents contextually, and to utilise the data provided by them to guide the development of the questionnaire and interview questions which would attempt to surface the actual meanings and intent. As demonstrated in figure 3, analysis of the documentation utilised in this research commenced in September 2011. The documents used (as defined in Appendix 3.5) were collected in electronic format and imported into the NVivo tool for analysis. The organisation's strategy and annual review were chosen for analysis to represent the 'intentions' of the whole firm. The resident participation strategy and the IT strategy were likewise chosen to represent the remaining areas of the organisation. Here it should be noted that in order to maintain the anonymity of the organisation utilised in this research these documents are not included in the reference list. The documents were coded in the following order; organisational strategy, resident participation strategy, IT strategy and then annual review.

3.5.2 Questionnaire

The questionnaire was administered to respondents, who were internal actors, via an electronic method specifically developed to administer and analyse questionnaires (the proprietary system used is known as SurveyMonkey). The research canvassed 35 individuals through an electronic questionnaire instrument, and these persons were made up of staff from all areas of the organisation. Actors were approached prior to the questionnaire being administered and their willingness to participate was confirmed. In this way the researcher attained a 100% return rate. Given a 100% return rate, this sample saw 10% of the organisation's staff involved in the questionnaire. The questions were designed to elicit responses across the intellectual capital elements of human capital, structural capital and relational capital (Kong, 2010b) and to attempt to identify Sveiby's (2010) indicators which will allow analysis of the captured data in order to answer the academic questions. The validity of the questions and their link to the literature and conceptual framework being applied to this research is demonstrated in table 22.

A summary of the questions utilised by the research is demonstrated in Appendix 3.2 (questionnaire) and Appendix 3.3 (interview). Litwin (1995) suggests that prior to utilising either a questionnaire or interview instrument pilot testing is useful in order to identify potential errors. With this in mind a pilot of the questionnaire was undertaken by five volunteers. These five volunteers were members of staff (from two departments within the organisation) who after their participation within the pilot, took no actual part in completing either a questionnaire or interview. Numerous issues were identified by these staff and these were corrected. Examples of these corrections include adding 'panel member' as an option in question 52, adding comment boxes to questions 34 and 35 and a number of general spelling and grammar corrections. As per the advice of Litwin (1995) the pilot was undertaken in order to test the questionnaire for reliability, consistency, content validity, criteria validity, construct validity and to assess the scaling and scoring mechanisms to ensure their validity in future analysis.

	Kong's (2010b) Constructs	Sveiby's (1997) intangible assets monitor model	Questions within questionnaire
→	Human Capital → Structural capital → Relational Capital →	Competence Indicators Internal Indicators External Indicators	<p>Demographic questions (e.g. length of service, experience, age, sex, position, qualification)</p> <p>Questions to elicit knowledge around intellectual capital (e.g. have you heard of the term?, can you give examples of intellectual capital in use?)</p> <p>Questions to elicit motivator and levels of motivation</p> <p>Questions to elicit awareness of self / others / organisation (e.g. what are the firm's values, what is the strategy, what are the firms key performance indicators)</p> <p>Questions to gather information on knowledge sharing systems (e.g. what type of systems are in place?, how are they used?, could they be improved?)</p> <p>Questions to elicit knowledge of stakeholders (e.g. who do you deal with externally?, do you represent the organisation externally?)</p> <p>Questions to elicit knowledge of the far environment (what externally published documents are you aware of?)</p>

Table 22 – Justification of questions to be used

It was ensured that response rates would be scientifically significant, through gaining the prior agreement of the recipients to be involved, and then by utilising functions within the SurveyMonkey program to analyse the number of respondents who hadn't completed the questionnaire and further using the tool to send reminders to those that had not responded. The questionnaire comprised both open and closed questions (Yates, 2004) where the closed questions consisted of direct, two-way, multiple choice and scaled questions which provided data for comparison purposes, and where the open questions provided more 'rich' data that was used to develop themes then used within the interviews. The questionnaire was completed by 35 respondents which equated to approximately 10% of the organisation (at the time the questionnaire was administered). Their biographical breakdown and the areas of the organisation they worked for are demonstrated in table 23 to table 30. These are included to demonstrate that an appropriate range of staff were included in the questionnaire exercise and that an appropriate range of ages and sexes were included in the exercise. Upon the return of the completed questionnaires a preliminary analysis was undertaken in order to aid development of the interview questions. An NVivo cloud tag report was utilised to visualise key words and therefore themes in the questionnaire data. The result of this report is demonstrated in figure 5. Its significance in terms of visualising the data as a foundation for further analysis is discussed in chapter four, section 4.3.



Figure 5 – NVivo word frequency tag cloud for all questionnaire data

Words discovered in figure 5 were utilised to develop additional codes. These were used as the author coded this data set and additionally they were also employed to develop further themes for the author's interview questions. Specific examples were the development of questions around training, performance and motivation. In order to surface themes with which to develop interview questions, the author analysed the questionnaire data. The closed and scaled questions were analysed through the SurveyMonkey tool and the corresponding free text responses were imported into NVivo. These were coded in line with the data already coded from the document analysis. Further analysis of this data then continued with examination of the 'open' and free text responses. This was undertaken in order to surface concepts and themes needed to develop the interview phase of the research. At this time codes already surfaced from the document analysis were utilised as were themes discovered 'in vivo'.

The author found that the use of the SurveyMonkey tool made the production, distribution and subsequent ability to manipulate the data for analysis relatively straightforward. This is in harmony with Abel et al. (2005) who stated that SurveyMonkey was useful for the ease of survey creation, distribution and management of responses.

This research acknowledges that the 100% return rate of the questionnaires was influenced by an 'insider' role within the organisation as indicated by Merton (1972) and Labaree (2002). Overall this part of the data collection exercise, and the initial analysis of questionnaire data was found to be relatively straight forward, and this is attributed to the in-built functions of SurveyMonkey that allowed development and deployment of the questionnaire, and the ease with which responses could be tracked and ultimately analysed.

3.5.3 Interview Questions

The justification of question types used and their links to the research's conceptual framework are demonstrated in table 22. The actual questions given at interview are demonstrated in Appendix 3.3. These questions were developed after initial analysis of the results of the questionnaire, and are structured in order to elicit richer data relating to interesting and relevant themes discovered from the questionnaires.

Interview questions were generally open in style (a definition for which is given in section 3.5.2), but prompts were prepared to allow detailed exploration of themes and these were generally closed in style (a definition for which is given in section 3.5.2). An example of an open question used is “What can you tell me about your department?” A closed question example used is “What experience is it that makes your team successful, housing or role specific?” Appendix 3.3 demonstrates all questions and prompts used in the interview process.

Eight managers within the organisation were identified and invited to undertake an interview. These individuals were chosen purposively. Individually they had responsibility for their own departments and also a corporate role within the organisation’s leadership team that meant that their breadth and depth of knowledge of the organisation would prove useful to the research, particularly in analysing the complexity of the environment. It was for this reason that they were chosen to undertake the interviews over other levels of staff within the organisation, who would lack the breadth of knowledge and strategic perspective this research sought. In line with Yates’ (2004) recommendations, these actors were told what the research concerned, were informed how the interview would be structured and what topics would be discussed. They were informed how the data would be held, used and told that they would remain anonymous. Moreover, they were given the opportunity to withdraw from the interview if they should wish. Additionally, they were told how the data would be destroyed after the research was completed. The interviews took place within the firm’s HQ building at mutually convenient times. In order to accurately capture data and to facilitate future analysis of it the interviews were recorded, again, with the permission of the interviewees.

Following the interviews, these recordings were then transcribed into a computer program to facilitate analysis. The computer program used was NVivo which facilitates qualitative data analysis be it literal, interpretive or reflexive (Mason, 1996). The researcher undertook the interview with a semi-structured approach (Yates, 2004), based around Kong’s (2010b) intellectual capital constructs and probing Sveiby’s (2007) intangible assets monitor model indicators (see table 12) in order to build a richer picture of the survey data that had already have been captured.

The interviews were undertaken after the questionnaire has been completed. This allowed the researcher to develop a number of content themes (Yates, 2004) based upon the researcher's knowledge and observations from the questionnaire data. The interviews were conducted so as to ensure that the strengths of this instrument, that is interviewing, (Woods, 2006) were garnered particularly around in-depth probing of questions, the ability to be flexible around questions asked and the length of prospective responses.

The interviews utilised the semi-structured form of questioning identified by Yates (2004) which allowed the researcher to probe areas of interest and follow participants' interests and concerns whilst still covering the areas identified as important at the outset of the interview. The use of this technique allowed the researcher to direct questions in line with the research topic and also enabled the flexibility to allow other areas of interest, if they arose, to be pursued. As such, initiating questions were used to direct the interview around the content themes as identified above. Probing questions (Yates, 2004) were used to clarify answers, ask for examples and to find out more information about that particular aspect. Follow-up questions (Yates, 2004) were used to allow the interviews to be flexible and follow interesting but relevant enquiry paths that previous answers had identified.

In summary, the interviews were utilised to further build upon the data collected in the questionnaire phase of the research. The interviews were conducted in a semi-structured manner (Yates, 2004). Each interviewee was asked the same set of questions (although the order did vary if interviewees' answers strayed into the remit of another question). The interviewer had prepared a number of probes for each question (see Appendix 3.3) and for this context used them as per Yates (2004) suggestion to encourage the expansion of initial responses without changing topic. The number of interviews were limited to eight because of the expected level of resulting data that would need to be collated and analysed and this is in-line with Yates' (2004) assertion that the interview process can be extensive and difficult. This was proven to be the correct assertion as the resulting interview data did take much effort to transcribe and then indeed to code. Agar (1996) puts it more bluntly by suggesting that transcription is a chore. That said, the author agrees with Oliver et al. (2005) who points out the importance that transcription plays in qualitative research.

As such the transcription exercise was undertaken by the researcher in order to gain a greater understanding of the data, in readiness for coding, as it was transcribed. During transcription a 'denaturalised' approach was opted for. Oliver et al. (2005) define this approach as correcting grammar, removing stutters etc. and standardising colloquialisms.

Cameron (2001) concurs with this approach and urges researchers aim for a full and faithful transcription which retains the accuracy of meaning and perceptions of the interview rather than nuances of conversation. In respect to this research the author chose not to transcribe response and non-response tokens (Oliver et al., 2005). These had no bearing on the content of the interview and as such were ignored. The eight persons interviewed consisted of two people from each directorate (see figure 3). In terms of their role within the organisation, they were managers and heads of service. This was the demographic that the author wished to reach, as it was intended to gain rich data from this audience perspective, by the fact that their influence within the organisation was not limited to single teams or single departments. At the level that these actors operate at, that is within the senior management team, they have both appreciation of their own departments and an understanding of strategy and operations across the organisation which benefited the resulting collected data. The biographical breakdown of interviewees is as demonstrated in chapter 4, tables 23 through to table 30.

When all the interview data had been transcribed into NVivo, the author developed a report to demonstrate the frequency of words used in order to guide the development of further codes and to check the efficacy of already developed codes. Figure 6 displays the most frequent words used by the interviewees and this visualisation provides a foundation for further analysis. This data is discussed in chapter four, section 4.2.

business change changes communication communications culture deliver
department departments difficult effective experience external externally
important improvement individuals information innovative internal intranet
knowledge looking management managers meetings motivated motivation

objectives **organisation**

people performance policies previous problem procedures

process processes residents service skills strategy system systems technology

training transfer values worked

Figure 6 – NVivo word frequency tag cloud for all interview data

This exercise as demonstrated by figure 6 represented the final stage of the data collection. As in the previous stages, that is, document analysis and then questionnaire analysis, any codes identified relevant to the interviews were then retrospectively applied to the relevant NVivo data sources (documents and questionnaire data). To summarise, the transcription and further coding exercises were labour intensive and time consuming, the transcription process gave additional insight from the data in preparation for the coding exercise.

All interviewees invited to participate agreed willingly. Participants were identified from the organisation's senior management team, and were initially approached by email. Where a participant agreed to be interviewed, further emails were sent that set the logistics of time and location of meeting. Indeed, after the first interviews had taken place, a number of heads of service who were aware that their colleagues had been part of the process approached the researcher to ask if they could volunteer their services. Their offers were gratefully accepted and upon reflection it was these 'willing volunteers' who answered their questions with the greatest level of openness during the interview process. Indeed, in a number of these interview situations the author recognised strong emotions being displayed. The individual questions being asked were not, in the view of the author, overly personal, indeed they were directed in pursuit of the research questions through an organisational lens. All interviewees were then sent an email thanking them for their participation.

3.6.4 Coding

As the various data sources were transcribed into NVivo, open coding was undertaken where both 'a priori' codes were identified and other 'in vivo' codes were classified and added. At the end of the open coding stage a large number of codes had been developed. The next coding stage, that is axial coding, made links between these codes and where appropriate defined relationships and merged codes. These nodes were examined by the number of coded references made against them. Those with less than five references were more closely interrogated, and in total 20 were then removed or merged with more appropriate NVivo nodes. There were still a large number of free standing NVivo nodes in place so in the spirit of axial coding, relationships and links were sought. Most obvious from the remaining nodes were those that had been created during the coding process in an attempt to aid future analysis, by breaking down the questionnaire and interview components into individual nodes.

Where relevant linkages could be identified, individual nodes were joined, thus reducing the overall number of free standing nodes considerably and not affecting any further analysis opportunities. An NVivo node had been setup for each interview question to hold answers from all interviewees. At this point they were merged to a hierarchical node named interview questions. Likewise questionnaire respondents had been coded in the same way initially. After examination during axial coding individual questionnaire nodes were consolidated into a new node 'questionnaire respondents overall'. Additionally, questionnaire components that referred to the free text elements of the questionnaires that had been set up as free standing NVivo nodes were also merged into a new node named 'questionnaire components'. The node structure within NVivo was, following these mergers, much easier to visualise.

Axial coding continued by specifically looking for links and relationships between the remaining nodes. Here each NVivo code was selected and other nodes that were similarly named, or had names that suggested similar coding intentions were searched for. Where possible matches were found, the NVivo tool was used to test for congruence by selecting the nodes identified and performing cluster analysis on them against coding similarity. At this point, a cluster analysis was run across all remaining nodes in order to further identify possible relationships worthy of amended coding.

When no further axial coding was deemed necessary selective coding was then undertaken to link the remaining NVivo nodes to Kong's (2010b) intellectual capital constructs which allowed exploration of the relationships between the data collected and coded and the theoretical concept of this research. This final element of the coding exercise was undertaken by utilising those themes and elements as suggested by Sveiby's (1997) model indicators (competence, internal and external) which were outlined in figure 5. In this instance, the NVivo function known as 'collections' was used which allowed the creation of sets for each of the intellectual capital constructs and their associated nodes rather than to physically merge free standing NVivo nodes. This approach allowed the required nodes to be aggregated according to the coding requirements and allowed the free standing nodes to remain in place for ease of analysis toward answering the research questions. In relation to this analysis, due to emerging trends, the research was compelled to develop codes to reflect the age of the firm, the pace at which it was developing and the negative aspect of some staff, particularly those staff that transferred into the organisation from the local authority. These themes and associated findings will be discussed further (in chapter four) as the analysis commences.

Throughout this and the following chapters use is made of a number of NVivo diagrams. To facilitate interpretation of them a brief explanation is now provided. NVivo word clouds are used to visualise the codes held within the system and these highlight what types of codes have been ascribed. The larger the font of specific words within the diagram, the more frequent its use. An example of this type of diagram is displayed in figure 5 in section 3.5.2 which demonstrates the codes associated with data collected from the questionnaires. Code diagrams are used to visualise the individual codes that have been related to each of the intellectual capital constructs used within this research. An example of this type of diagram may be seen in figure 9 in section 4.3.1. NVivo tree map diagrams have been used to show the relative importance of codes assigned to each of the intellectual capital constructs. Here, the importance is demonstrated by position in the diagram, that is, the nearer to the left and the larger the cell denotes the most frequently coded. An example of this type of diagram is demonstrated in figure 10 in section 4.3.1. Extracts of NVivo queries are also used which demonstrates actual excerpts from the data. An example of is demonstrated in figure 11 in section 4.3.1. Finally, NVivo dendogram diagrams are used to show associations between coded entities where an entity may have multiple codes associated with it. An example of this type of diagram is demonstrated in figure 12 in section 4.3.1.

3.6 Ethical Considerations

The importance of ethics and an ethical approach to research is made by Kelman (1972, pg. 1007) who starkly suggests that:

“If knowledge is power, then the knowledge produced by social research is, to a large extent, power to control and manipulate human behaviour. The production of such knowledge creates difficult ethical dilemmas for the social scientist, particularly when he considers who is likely to use the power to manipulate, over whom, and to what ends.”

Williamson (2011) expands the above definition to state that ethical considerations are also required in a context outside of those being studied, and includes issues regarding possible damage to the reputation of the researcher’s educational establishment, and possible damage to future research opportunities. Rowson (2006) proposes the FAIR (fair, autonomy, integrity, results) paradigm as a template with which to mitigate problems with ethical issues. He urges us to recognise the element fair (to treat respondents equally, to be aware of bias and understand issues such as position power and ‘insiderness’), the element autonomy (respondents fully aware of research aim and in a position to give their informed consent), the

element integrity (data gathered for one reason will only be used for that reason) and the element results (used for ‘good’ reasons rather than to inflict any ‘harm’).

This research can be thought of as straight forward with regards to ethical issues as the respondents were not vulnerable, the research instruments were unobtrusive and overt, the data recorded could not be deemed confidential and will be held securely by the researcher, and the results will only be used in line with the guidelines given when consent was agreed. As stated in chapter one both the organisation and individual contributions to the research will be anonymous. An extract of this research’s ethical statement can be seen at Appendix 3.6.

3.7 Chapter Summary and Conclusion

This chapter restated the initial academic question and the proposed contribution to theory and practice. Figure 7 was developed as a knowledge map representing the concepts utilised in this chapter.

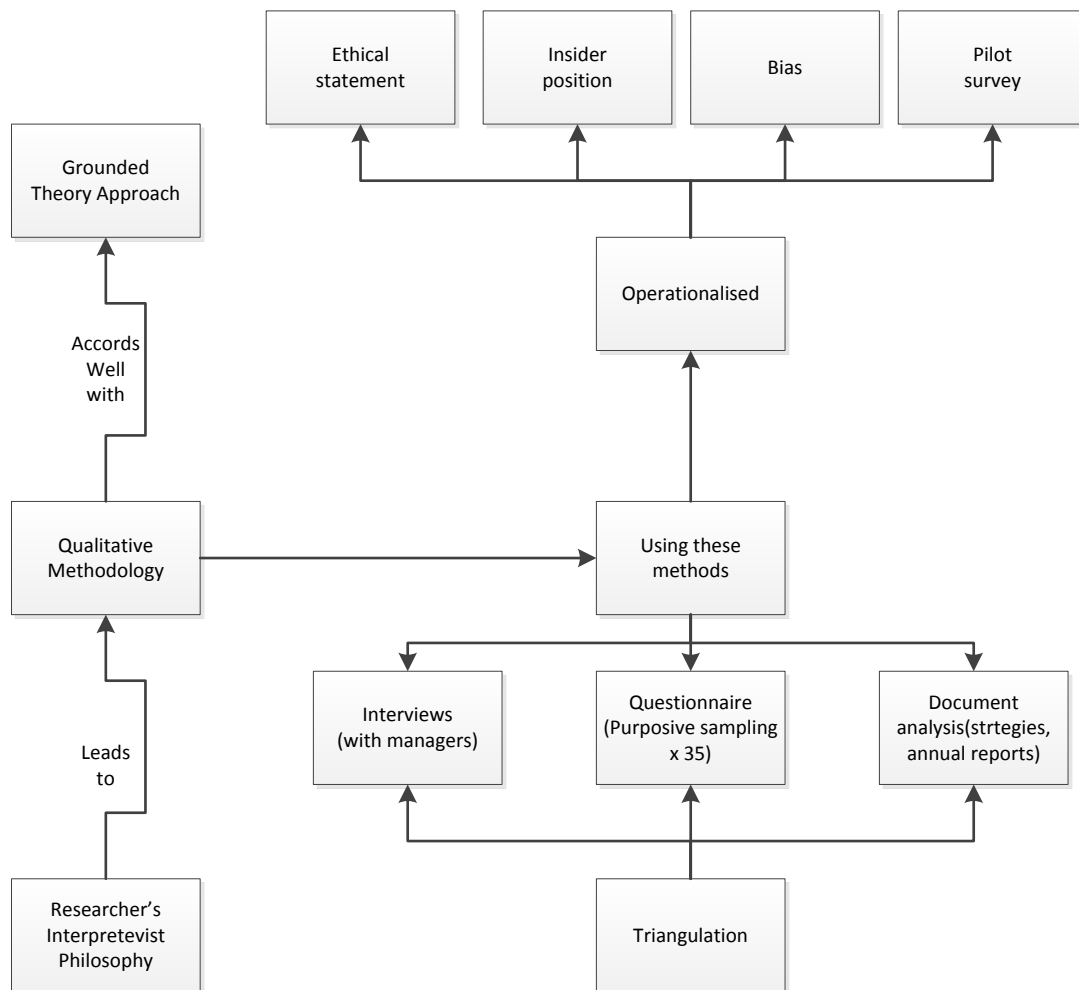


Figure 7 – Methodological framework and methods knowledge map

Possible epistemologies or philosophies were introduced, and it was stated that an interpretivist style would be adopted, and that complementary research methods would be utilised. Sveiby's (1997) intangible assets monitor model, adapted along with Kong's (2010b) intellectual capital constructs (see table 12) was stated as the author's theoretical framework, and it was highlighted that the elements of this model are utilised to develop the questionnaire and interviews in order to test for intellectual capital. It is further noted that the author utilised this model on a departmental level as opposed to an organisational level. The two main research methodologies for social science research were set out as quantitative and qualitative and by utilising Lincoln and Goober's (1985) criteria along with Firestone's (1987) criteria, it was stated that a qualitative approach was utilised for this research. This accorded well with the aforementioned interpretivist philosophy and offered a number of research instruments that facilitated analysis within the firm. A number of previous academic studies in intellectual capital that use a qualitative approach were specifically noted.

Hoepfl's (1997) qualitative characteristics (table 16) were explored in order to gain an enhanced understanding of the methodology, and its weaknesses were discussed in order to ensure that the author made effective use of it in action, particularly around bias (section 3.4), conflict and credibility, and to ensure that these issues were addressed when operationalising the research. The chapter did not evaluate all possible qualitative methods, but rather it concentrated upon those that it would operationalise; that is document analysis (section 3.5.1), a questionnaire (section 3.5.2) and interviews (section 3.5.3). It then debated their strengths and weaknesses and how this multi-use approach could lead to triangulation (section 3.2.5). It was stated that data sources (section 3.2.4) were internal to the organisation and highlighted that semi-structured interviews were to be adopted, and that the questionnaire was designed with required information already in mind and decisions made around how collected data would be analysed.

The research position was stated to be that of an 'insider' to the organisation and bias associated with this position was discussed (section 3.3). It was noted that this required sensitivity to be applied whilst operationalising and undertaking the research. Additionally, it was stated that this research took the form of a cross-sectional approach and that the questionnaire was undertaken first in order to inform further questions for the interviews. Gaining permission for the research from both the organisation and individuals was identified as important. It was highlighted that purposive sampling was utilised to identify respondents for both questionnaires and interviews. It was stated that 35 questionnaire respondents (section 3.5.2) were targeted, and that eight interviews (section 3.5.3) were undertaken. The Lincoln and Guba (1985) model proved very useful in allowing the planning of this research to be developed (table 15) and facilitated the identification of the documents required for document analysis (Appendix 3.5). The order in which the research would take place was stated, where the document analysis would be undertaken first. This would then inform the questionnaire development and the data collected from it was refined and utilised to develop the interview stage. With reference to operationalising the research the researcher identified through purposive sampling the 35 individuals (10% of the firm) that were asked to take the questionnaire. Their consent was gained prior to presenting the questionnaire to them. At this stage the questionnaire has been developed in an electronic format, and had been piloted and refined as necessary.

Interview questions were developed after the data had been recorded from the questionnaires, and was administered to eight managers within the firm. Figure 5 displays how the questions link to the theoretical framework being used in this research Sveiby (1997) and Kong (2010b).

It was stated that access had been gained to an electronic system or computer assisted qualitative data analysis software that was utilised to analyse the questionnaire data, to record and analyse the interviews and to undertake document analysis. This system was identified as the NVivo product. It was stated that this research can be thought of as straightforward, unobtrusive and overt and a copy of the ethical statement is included at Appendix 3.6. To summarise this thesis will produce the overall research with individuals and the organisation remaining anonymous. Having gathered the data and coded it, chapter four analyses the data and discuss the findings associated with it.

Chapter Four – Research Findings

4.0 Introduction

This chapter discusses findings from the data as collected through document analysis (section 3.5.1), questionnaires (section 3.5.2) and interviews (section 3.5.3). This data was managed by the NVivo software tool which facilitated the codes that were defined and then analysed according to Kong's (2010b) intellectual capital constructs and research questions with reference to the theoretical model used within this thesis (see table 12). After coding, 192 NVivo nodes had been created and these are diagrammatically represented by an NVivo cloud tag (see figure 8). A cloud tag diagrammatically represents created codes and sizes them according to the amount of references to them, that is, the larger the representation of a word, the more times it was referred to as an NVivo node. The findings associated with actual codes are then presented in order of the research questions (see section 4.2 to section 4.4). For each code analysed and discussed, relevant data from any of the sources (documents, questionnaires and interviews) is introduced as supporting evidence. This chapter concludes by discussing the most noteworthy of the findings (section 4.5).

4.1 Presentation of Results

The biographical data for questionnaire respondents and interviewees along with their areas of work are presented in the following tables table 23 to table 30). These tables are included to show that demographic of respondents selected did not include bias (section 3.3). Respondents were spread across a number of departments as displayed in table 23.

Questionnaire respondents by department		
Answer options	Percentage Response (%)	Response count
Housing services	11.1	4
Regeneration	8.3	3
Neighbourhood services	8.3	3
Asset Management	8.3	3
Property investment	8.3	3
HR	8.3	3
Communication	8.3	3
Finance	8.3	3
IT	16.7	6
Executive team	5.6	2
Business improvement	8.3	3

Table 23 – Questionnaire Respondents by Department

To complement the department data demonstrated by table 23 the roles undertaken by respondents are recorded in table 24 which is included to demonstrate that a wide spread of staff levels and disciplines were included in the questionnaire process.

Questionnaire respondents by role		
Answer options	Percentage Response (%)	Response count
Assistant	13.9	5
Officer	44.4	16
Supervisor	2.8	1
Manager	33.3	12
Head of Service	2.8	1
Executive	2.8	1

Table 24 – Questionnaire Respondents by Role

The age range of the respondents is demonstrated in table 25 and is included to demonstrate that a wide range of age ranges of staff within the organisation were included in the questionnaire process.

Questionnaire respondents by age		
Answer options	Percentage Response (%)	Response count
18 to 29	22.2	8
30 to 39	33.3	12
40 to 49	27.8	10
50 to 59	13.9	5
60 and over	2.8	1

Table 25 – Questionnaire Respondents by Age

Their gender breakdown can be seen in table 26 and this is included to demonstrate that a fair range of genders were included in the questionnaire process.

Questionnaire respondents by gender		
Answer options	Percentage Response (%)	Response count
Male	50.0	18
Female	50.0	18

Table 26 – Questionnaire Respondents by Gender

To complement data elicited from the questionnaire, interviews were undertaken with the management team of the organisation. The departments that these managers work in is demonstrated in table 27 and is included to demonstrate the selection of respondents across organisational directorates (see figure 3 and figure 4).

Interview respondents by department		
Answer options	Percentage Response (%)	Response count
Housing services	12.5	1
Regeneration	12.5	1
Neighbourhood services	0	0
Asset Management	12.5	1
Property investment	0	0
HR	0	0
Communication	25	2
Finance	12.5	1
IT	12.5	1
Executive team	0	0
Business improvement	12.5	1

Table 27 – Interview Respondents by Department

As demonstrated by table 27 not all departments were covered by the interview process. However, as demonstrated in figure 4 in chapter two, these departments are ultimately part of four directorates and all of these were covered in the interview process. The roles of those interviewed are recorded in table 28.

Interview respondents by role		
Answer options	Percentage Response (%)	Response count
Assistant	0	0
Officer	0	0
Supervisor	0	0
Manager	37.5	3
Head of Service	62.5	5
Executive	0	0

Table 28 – Interview Respondents by Role

The age range of those interviewed is demonstrated in table 29 and is included to highlight the age range of interview respondents. The table also demonstrates that the management demographic included in this thesis includes none of the 18 to 29 age range. Responses from this age group was however captured in table 25.

Interview respondents by age		
Answer options	Percentage Response (%)	Response count
18 to 29	0	0
30 to 39	12.5	1
40 to 49	75.0	6
50 to 59	12.5	1
60 and over	0	0

Table 29 – Interview Respondents by Age

In addition to the age ranges demonstrated in table 29 the interviewees’ gender is recorded in table 30 and this table is included in order to demonstrate the gender split of the interview respondents.

Interview respondents by gender		
Answer options	Percentage Response (%)	Response count
Male	37.5	3
Female	62.5	5

Table 30 – Interview Respondents by Gender

The research utilised a linear approach to developing the data sources, that is firstly undertaking the document analysis with a priori codes relevant to this thesis’ theoretical model (see table 12) and then developing the questionnaire through enhancing the codes and themes discovered. Then the interview questions were developed by building upon both the document and questionnaire data sources. The full analysis has been conducted across all coded data sources the reason being to combine individual codes and themes to provide an overall, comprehensive view of the data. Miles and Huberman (1984) caution qualitative researchers to remember that enumeration and counting is a valid instrument and is particularly useful to enable a researcher to rapidly assess what they have in a large amount of collected data.

With that in mind use was made of a number of in-built NVivo reports which displayed the extent of references made to individual codes in order to attempt to visualise the extent of coding and the relevant importance of individual codes. At the end of coding a total of 192 NVivo nodes had been created.

Kong's (2010b) constructs of human capital (section 1.3.1), structural capital (section 1.3.2) and relational capital (section 1.3.3) were utilised as the hierarchical nodes. This allowed the remaining nodes to be aggregated according to their corresponding construct and these form the way the results are presented below, that is, according to the research question associated with each construct. The range of respondents along with their experience, qualifications, age, gender, department and role were fully highlighted in chapter three. To recap, the questionnaires (see table 23 to table 26) were conducted across a range of staff, representative of all departments (35 questionnaire participants) and all levels whilst the interviews (see table 27 to table 30) were conducted across the majority of the senior management team (eight interviewees). This approach allowed all organisational areas and many of the staff grades to have an input into the data collected, in order to reduce any possible bias. A contemporary approach to viewing the data through an NVivo cloud tag report which displays words and their frequency in the data (as per figure 8 below) was used. This proved useful as an indicator to the importance of the codes within it. This visualisation of the data which demonstrates the frequency of the use of words (the larger the word, the more it has been used) proved useful in identifying recurring and important codes that were then used within the data and proved a foundation for further analysis. These codes are individually discussed throughout section 4.2 to section 4.4.



Figure 8 – NVivo ‘cloud tag’ report

As the data is presented in support of the research questions it is important to restate that the organisation has not promoted the concept of intellectual capital either holistically or in its various constructs. With that in mind the following question was used to gain an appreciation of the level that intellectual capital was understood within the organisation.

Have you heard of the term 'intellectual capital '?		
Answer Options	Response Percentage (%)	Response Count
Yes	37.1	13
No	60.0	21
Don't know	2.9	1

Table 31 – Questionnaire respondents familiar with intellectual capital

The above table 31 demonstrates that the majority of questionnaire respondents were not aware of intellectual capital as a concept and this was to be expected as the organisation does not promote intellectual capital as a discrete discipline. At this point in the questionnaire respondents were given a brief definition of intellectual capital in the context of this research, and then asked how effective they estimated it to be within the organisation.

Please rate how effectively you think the organization makes use of intellectual capital				
Answer Options	Very Effective	Effective	Somewhat Effective	Effective
You	1	22	10	0
Your department	1	21	10	1
Organisation	0	16	14	3

Table 32 – Questionnaire respondents' estimation of intellectual capital effectiveness

The data in table 32 suggests that the majority of the respondents estimated that they, their department and the organisation made use of intellectual capital effectively and a number of their perceptions of intellectual capital appear to accurately capture the concept. One questionnaire respondent, Q11, suggested that *“We recruit the appropriately skilled people, train them, allow them access to systems they need to do their jobs.”* This was eloquently added to by an interviewee, I1 who stated:

“There’s a maxim that in any organisation the people are the most valuable resource and those people have knowledge and experience that contributes to the success of the organisation as a whole. That knowledge and experience is I think, the intellectual capital that they bring and if it’s invested in it will grow, if its fostered then it will propagate throughout the organisation, so that is intellectual capital .”

Against this perception of intellectual capital within the organisation the research will now analyse the collected data across all sources.

4.2 Results for Research Question One

Figure 9 demonstrates those nodes ascribed as pertaining to human capital. As previously stated, research question one seeks to find evidence of elements of the intellectual capital construct human capital in use within the organisation. The codes related to the human construct as relevant to this research are demonstrated in the following Nvivo diagram, figure 9, which provides a useful initial visualisation of the codes identified. These codes are then demonstrated in figure 10 in the form of an NVivo tree map which provides visualisation of code relationships and relative importance (in terms of amount of times referred to) and provides indicators to where analysis should be directed. Figures 9 and 10 may be seen in the following pages. Figure 9 shows the high-level codes assigned to the intellectual capital construct of human capital (Kong, 2010b) as defined in section 1.3.1.

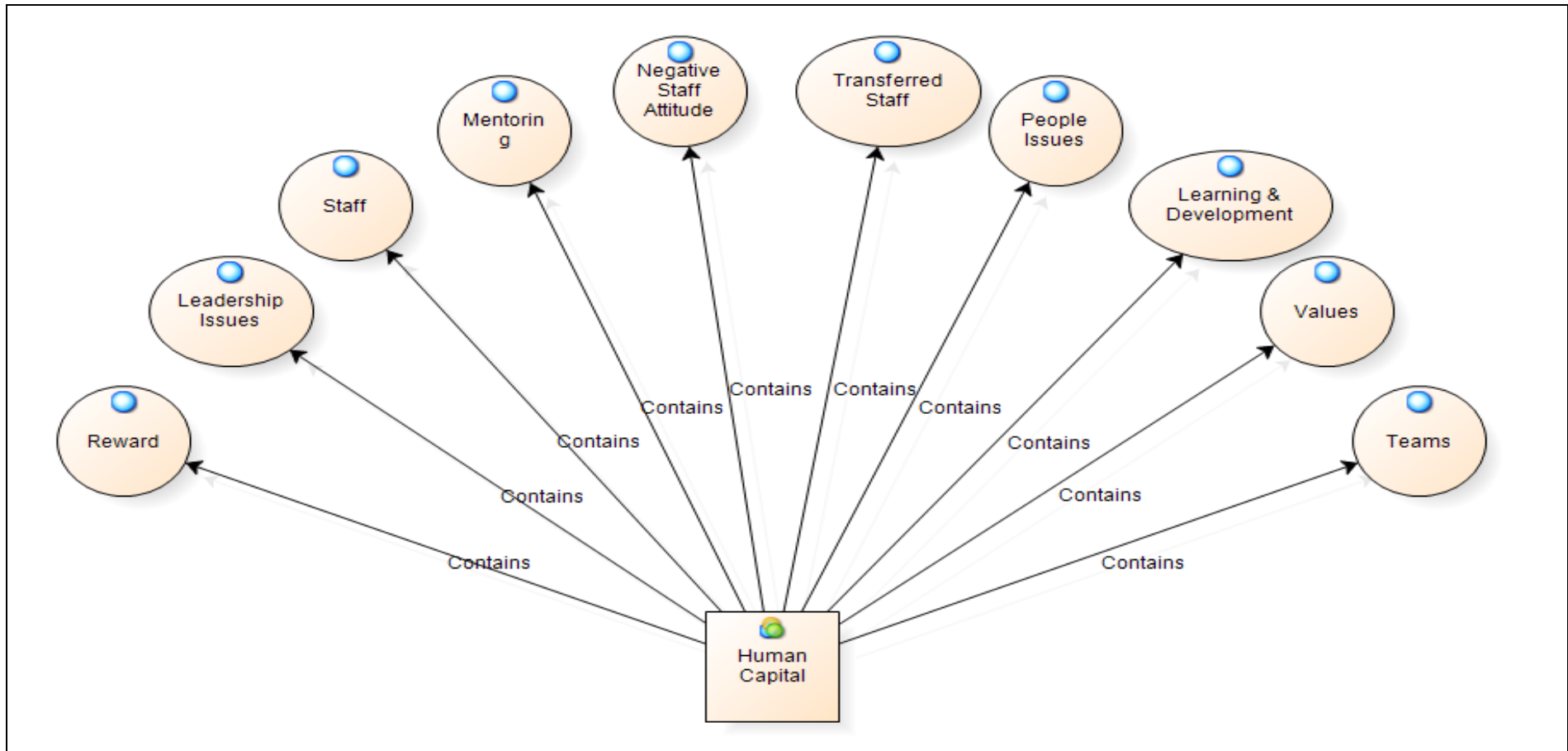


Figure 9 – NVivo diagram displaying human capital nodes

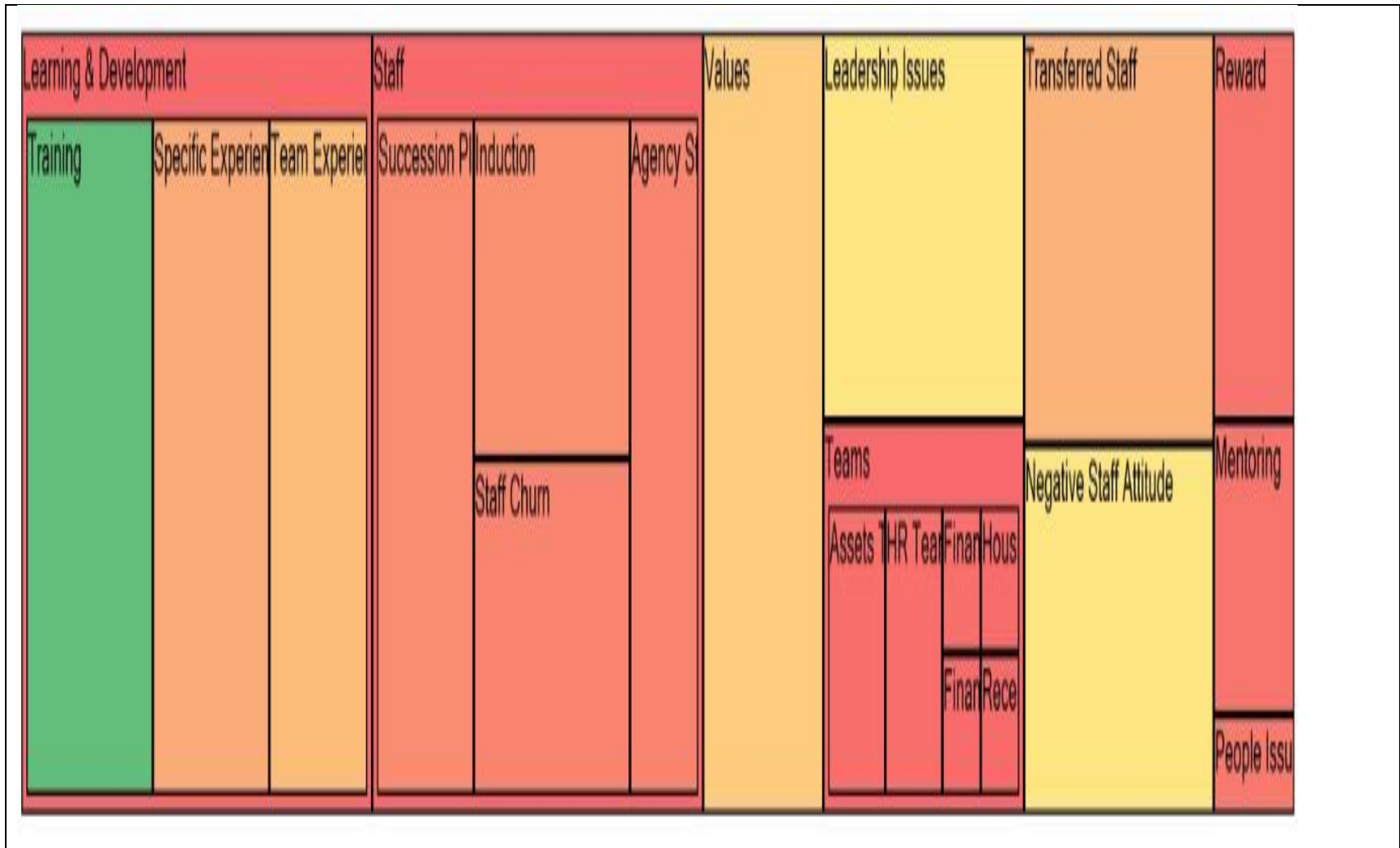


Figure 10 – NVivo tree map for Human Capital

Figure 10 demonstrates the relative importance of individual codes according to how many times they were referenced. Additionally, it groups them by identified relationships setup within NVivo. As an example in figure 10 it may be seen that the node training was created to have a relationship with learning and development. Having utilised the preceding figures to allow visualisation of the human capital codes and to indicate their relative importance in the data, analysis will now be performed upon them individually. Each code will be discussed with reference to supporting data available from document analysis, questionnaire and interview where it has been shown to be available.

Experience

Staff and the intangible benefits they bring to the organisation form an important element of human capital so analysis of this collection was undertaken initially. The experience of staff within the organisation was assessed by questionnaire and interview. Table 33, created from questionnaire data demonstrates the experience staff have in their roles and in the housing sector. Organisational experience is low as the organisation is not yet three years of age.

What is your length of service? (Please input number of years (rounded up) e.g. 3)		
Answer Options	Response average	Response total
In your current role	6	18
In this organisation	4	16
In the housing sector	8	20

Table 33 – Experience of actors within the organisation

The issue of experience was further explored within the interviews. Responses varied in how the managers valued experience. Some valued previous sector experience whilst others acknowledged other sector experience and experience specific to the role as important. Interviewee I8 was keen to state that role specific rather than housing experience was important:

“They need market skills. They need to be aware of what is happening in Welsh Government, in the private sector to keep abreast of regulatory issues and the impact of things like solar panels and health and safety.”

Interviewee I6, a manager with a housing specific remit demonstrates the importance of housing specific experience and states “*So typically, my teams are the specialist teams that add value because they can give more in-depth responses to resident queries and therefore better support.*” The respondent goes onto state the benefits of a mix of experience:

“I’ve got a good mix. I’ve got people who worked in the council and then here for many years so they understand the local area. Against new people with new experience who have brought new ideas and new ways of doing things. It’s a good mix. A balance. Across all of my teams.”

Interviewee I4 is broadly in agreement with the above statement and their quote demonstrates the requirement for both sector and specific experience.

“We also have people with experience in private industry and police authorities, in a lot of finance roles. We’ve got a good mix and a good base to go forward. People are expert in their roles but have not been exposed to the wider business. That’s what we are working on, getting people out into the business for them to understand those aspects of the organisation. We are working on that and it will make people better at their jobs.”

Thoughts on experience are eloquently summed up by interviewee I5 who states:

“At the start I would have rated housing knowledge as the most important but now we’ve been going through this improvement drive for the last couple of years I think that it is secondary to knowledge related to business improvement.”

Table 34 demonstrates academic achievements that complement the levels of experience demonstrated in table 33 and it is positive to note that questionnaire respondents in the main are educated to degree level with over ten per cent also holding masters level qualifications.

Respondents’ views on effectiveness of communication channels	
Answer Options	Percentage response (%)
O Level / GCSE	5.6
A Level / AS Level	13.9
HNC	11.1
HND	13.9
Bachelor Degree	44.4
Master’s Degree	11.1
Doctorate	0.0

Table 34 – Questionnaire respondents’ educational attainments

Allied to the academic attainments respondents are in the main members of relevant professional bodies as demonstrated in table 35.

Do you belong to a professional body? (E.g. Chartered Institute of Housing / British Computer Society)	
Answer Options	Percentage response (%)
Yes	61.1
No	38.9

Table 35 – Questionnaire respondents’ membership of professional bodies

Whilst the above data suggested the importance of a range of experience it was encouraging to note the level of educational attainment and number of respondents belonging to a professional body. Several themes surfaced from the interview data in support of developing and managing this experience and these are now discussed.

Induction Training

Induction training for new staff was brought up by all interviewees except I8 and other than interviewee I6 the theme was not positive. Interviewees I1, I2, I3 and I7 all make reference to the fact that it could be improved within the organisation although I6 does make a solitary counter argument and states:

“I have an induction plan and a clear list of what people need to do. I take it very seriously and nobody starts in any of my teams without a plan and that gets them to spend time with other teams, shadowing, understanding us as an organisation.”

Staff Churn

Another theme explored through interview was that of staff churn, or rather the amount of staff leaving the organisation. The organisation’s strategy states it hopes to achieve an overall staff turnover of less than 5% per annum. All interviewees except I4 made reference to staff churn. Interviewee I1 raises risks associated with staff leaving the organisation and in opposition interviewee I5 suggests that turnover is healthy. Interviewee I2 suggests that pace may be a factor contributing to churn:

“The turnover that I’m aware of is because the people weren’t ready for this kind of pace and the kind of organisation we want to become. I think we are so different from the Council and people who don’t contribute, who don’t fit into our way of thinking can leave and there are a number of ways that can happen. Yes, there are ‘the disappeared’ which is a funny thing. The people here one minute and then gone for ever. It’s a strange one, I’ve never experience that before. In some areas there seems to be a retention issue.”

Having explored the data around staff coming into the organisation it was prudent to analyse how staff currently in the organisation are dealt with. Questionnaire responses as demonstrated in table 36 indicated that existing staff felt they were utilised as follows:

Are staff used effectively?				
Answer Options	Very Effective	Effective	Somewhat Effective	Effective
By you	5	23	7	0
Your department	6	24	5	1
Organisation	2	23	10	1

Table 36 – Questionnaire respondents’ view on staff use

The responses in table 36 demonstrates that whilst there appears to be concerns around how new staff are inducted into the organisation, existing staff indicate that they feel they are utilised effectively.

Training

The training node is one of the most coded and as such is analysed in order to determine which data sources had related coding references. A resulting NVivo report demonstrated that all data sources made reference to training which indicates its pertinence to this research and its practical importance to the organisation. Having the greatest number of coding references, the analysis turned to the questionnaire dataset where the majority of respondents indicated they had received departmental and organisational training.

Please rate how your perception of the relevance of training given	
Answer Options	Response percentage (%)
Relevant to you	41.7
Relevant to your department	75.0
Relevant to the organisation	83.3

Table 37 – Questionnaire respondents’ response to training

In addition to the responses in table 37, ten respondents made a number of comments with reference to training within the organisation and these were mainly negative. The analysis suggests that a range of training is provided, but some concerns are highlighted in that quality varies widely by respondent Q22, a suggestion of constant organisational training was put forward by respondent Q23. Interviewee I8 made the following comment which appears to echo the feeling of the other respondents:

“It’s about phasing and timing. Some of these training exercises have been planned so far ahead, very much in advance, and this causes some problems. There appears to be a compulsion, and quite right if you are paying for training, you should go on it, but it is very difficult to say to someone in six months’ time, on this date and time you will be on this training course. You don’t know what may be imperative at that time. People feel the pressure of having to comply with this training and I’m sure it could be compressed, more focused. I and my team are grateful for the training but... I was put down for refresher training with asbestos. There is no need for me to attend this in the role that I do, but things go out in a blanket fashion. They need to be more considered, more selective to the audience.”

Interviewee I3 calls the effectiveness of this training into question and respondent I4 questions its relevance to the organisation. In contrast to the negative view point of interviewees I3, I4 and I8 questionnaire respondents as demonstrated in table 38 believed training within the organisation to be effective:

How effective do you rate the training?				
Answer Options	Very Effective	Effective	Somewhat Effective	Not effective
Personal	6	21	6	0
Departmental	4	20	9	2
Organisational	3	17	12	4

Table 38 – Questionnaire respondents’ effectiveness of training

Despite this indication of effectiveness, respondents Q18, Q20, Q22, Q23, Q34 and Q35 commented that the training was not relevant, there was too much of it and Q22 went as far to suggest that they had “...seen some really terrible training in the last couple of years.” There were positive comments from the interview data. Respondent I6 stated:

“I think we were new, with new values and priorities and there was a recognition that we are a new culture with different expectations. So yes, there was a lot of training which was important so we could show we are a new organisation with a new identity, no longer the council. We have recently gone through comprehensive leadership development training. It was a lot of training, for some it was a time commitment. That investment in our managers was needed and should be commended.”

Respondent I7 gave a very positive response:

“We have been absolutely so lucky in the investment in training. It’s been full on. Everyone has undergone fantastic amounts of training and it was fantastic training. It has been hard to balance work and training. But it is a very positive thing for the individuals and the organisation. Even if that training just reinforces what you already know, it gives you the time to reflect on things.”

Therefore, it is evident that training within the organisation does take place and found by staff to be generally effective, but it is also evident that there are a several concerns and these are particularly prevalent from the interview data, that is from management within the organisation. Arising out of the interviews, further themes were noted as emerging when discussing training. Mentoring and succession planning were mentioned a number of times and are deemed worthy of further analysis.

Mentoring

Mentoring was referred to in relation to training within the organisation. Both respondents I2 and I5 highlighted the possible positive effects of effective mentoring. However it should be noted that no formal mentoring program has been established within the organisation.

Succession Planning

Succession planning was referred to in the Annual Report document by the organisation’s board:

“It is recognised that measures need to be put in place for succession planning for tenant and independent members of the board consistent with its governing instrument and the desire for continuity and stability.”

Whilst this quotation refers specifically to the board and governance arrangement it is interesting to note that the value of succession planning has been acknowledged. Interviewees I2 and I5 referred to succession planning as relevant to the organisation itself and their comments reflect a mixture of concern it is not in place and a recognition that it needs to be introduced. Interviewee I4 concurs with this and raises a further dimension, that of the attitude of the board. The board became a visible theme within the data and numerous occurrences of it were noted. Further analysis of this code may be seen later within this section (where it is individually analysed with reference to human capital) and in section 4.4 where it is analysed with reference to relational capital.

Reward

The node reward which in this case refers to how the organisation’s actors are rewarded for their efforts was highlighted as a theme within the data by both the organisation strategy and several interviewees. The strategy states the aspiration to implement a job evaluation exercise and resulting actions and implement approved actions resulting from a pay and pension benefits review. The interviewees give a more personal perspective with interviewee I3 highlighting their personal motivation is not money, and with interviewee I8 positing good working conditions as a form of reward. The analysis demonstrates that the above interviewees have split views between money as a reward and other ‘perks’ such as extra holidays and working conditions and it is interesting to note possible links between the motivation code which is analysed in section 4.3.

Values

In this research the organisation’s values were identified as a strong theme and the amount of coding supports that. The values are referred to in the Annual Report document which states that the organisation wants to be a values driven, learning organisation and that sets a strong strategic objective. The organisation’s strategy document itself refers to living our values and the resident participation strategy talks of the organisation’s vision and core value and define these values as fair, innovative, respectful, sincere and trustworthy.

Data gathered through the questionnaire and represented in table 39 demonstrates that 100% of respondents were aware of the organisation's values which must be seen as a positive.

Are you aware of the organisation's values?		
Answer Options	Response Percentage (%)	Response Count
Yes	100.00	35
No	0.00	0

Table 39 – Questionnaire respondents' awareness of the organisation's values

Comments were made by 17 of the respondents, with a number of them restating what the organisation's values are (Q1, Q5, Q9 and Q10) and with a number of them encouragingly reporting that their department promotes them (Q2 and Q7) although respondent Q4 states that they '*don't think all people do*' promote those values. Hence it was necessary to analyse how effective staff believed the organisational values to be. Table 40 demonstrates how effective respondents felt the values to be and it is encouraging to note that generally it was felt that they were very effective or effective.

How effectively do you believe these values are followed?				
Answer Options	Very Effectively	Effectively	Somewhat Effectively	Not effectively
By you	15	18	2	0
By individuals	5	18	9	3
By your team	15	16	3	1
By the organisation	2	22	6	5

Table 40 – Questionnaire respondents' view of effectiveness of the values

In addition to the above, seven (Q1 to Q7) respondents made comments upon the effectiveness of the values. These comments appear at odds with the indicated levels of effectiveness but these seven references appear of concern and may be worthy of further analysis. The data on values collected from the interviewees indicates that the management level of the organisation (that is the interviewees) also have a number of concerns about how embedded the values actually are. The comment from interviewee I2 suggests that the organisation has some way to go in order to achieve a consistent approach to its values and interviewee I5 posits that differences are evident across departments with interviewee I8 highlighting how difficult it can be to communicate these values.

It is encouraging to note that interviewees I1, I2, I3, I4 and I6 refer to the values in a positive manner positing how important and worthwhile to the organisation they are. To this point analysis had concentrated upon those human capital nodes with a specific link to the theoretical concept. There are however, a number of nodes classified as human capital that in themselves do not make a link to Sveiby's (1997) indicators, but surfaced as important themes during the data collection and data coding exercises. These codes were worthy of further analysis as they were potential indicators of areas where this thesis could provide additional contributions to practice.

Transferred Staff

The theme of transferred staff was evident across the data sources and surfaced very obviously during the interviews. The coding process recorded many occurrences of references to this group of staff. It is worrying to note that there appears to be a schism between staff who are new to the organisation and those that transferred over from the local authority. Issues of culture are suggested by interviewees I3 and I4 as are differences in motivation by interviewee I5. These themes are further analysed in section 4.3 and are diagrammatically represented as structural capital constructs in figure 12.

Geographical Issues

One interviewee I6 suggests that where staff are based (geographical issues) could be a factor and goes as far as identifying the neighbourhood team as a particular problem. Geography and this particular team were identified several times throughout the data collection exercise and have been coded as separate nodes to be analysed. These codes are subject to analysis in section 4.3.

Negative Staff Attitude

A generic theme surfaced during data collection and node was created to hold references to negative staff attitude. By running an NVivo matrix coding query there was evidenced to be a number of intersections with the transferred staff node. Interviewee I5 has a higher number of coding references and percentages of coding coverage pertinent to this code and they make a number of comments worthy of further investigation specifically references are made to the

organisation's board in a very negative fashion, suggesting that as the board influences the whole organisation then they are responsible for any negative attitudes. Similarly, interviewee I5's reference to "*People are scared of human resources ...*" is also a comment of some concern as it if correct this must hamper the organisation's approach to human capital. Interviewee I2 expands on this comment by stating "*HR are very motivated but I don't think people buy into that and they need to get out there more and get to know staff more and let them see the face of HR.*"

Board

This code was introduced earlier in this section, but its prevalence across the three research questions (and therefore Kong's (2010b) intellectual capital constructs) makes it relevant to further analysis. Interviewee I3's comments around the board add to those of interviewee I5's argument:

"This is something I analyse a lot in my own time. I find it interesting. Whenever I have contact with the board there is this kind of really weird attitude... If I do a say, report for board, the Directors are like 'Are you ok with that?', 'Are you alright?' Of course I am. If I'm questioned about the report I know I can give answers. I get the sense that there is a kind of 'buffering'... It's almost shielding the board and I don't understand that. I don't get it. They are professional people who should be able to take the message."

The interviewee goes on to state:

"Yes, but the innovations are met with aversion when they are put forward. I don't think the organisation wants to stifle it, they want to encourage it but this maybe where the buffering actually happens before board gets involved. They are afraid of risk if anything is too new, too out there... Sometimes board are fine with these suggestions, they totally get it, but it seems that the executive team want to 'buffer' messages, only give board nice messages."

Interviewee I4 adds to this argument:

"What really concerns me is the attitude of the board. They seem incapable of recognising the contributions of staff within the organisation and that concerns me. The chief executive could retire in a few years' time and at the moment I think the board would look to bring in someone from outside as they don't value internal staff."

Several of the above comments relate to possible issues between the board the senior management of the organisation. An NVivo query to link the board node and the leadership issues node returned the following data which may be seen in figure 11.

Leadership Issues

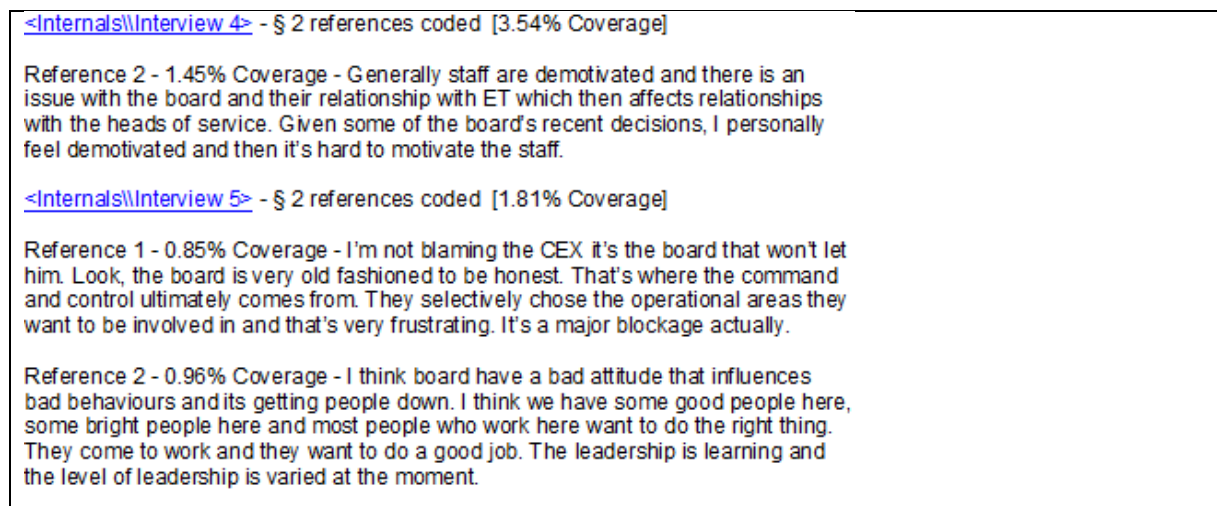


Figure 11 - NVivo query linking board and Leadership Issues

Figure 11 above further indicates a link and possible conflict between the board and senior management team with two interviewees putting forward strong opinions on perceived negative influences and relationships. Other codes ascribed to the leadership issues node are demonstrated in figure 12, which is an NVivo dendogram report designed to demonstrate cluster relationships between codes within the data.

Figure 12 indicates that this leadership issues node has coding references to many of the human capital elements already analysed in this section suggesting its importance within the data due to this identified relationships with multiple other codes. Practically, it is of importance as issues with the leadership elements of the organisation will have a far reaching impact upon many aspects of the organisations operations. The other elements demonstrated in figure 12 provide a signpost to codes that will be analysed in the structural capital and relational capital sections (4.3 and 4.4 respectively).

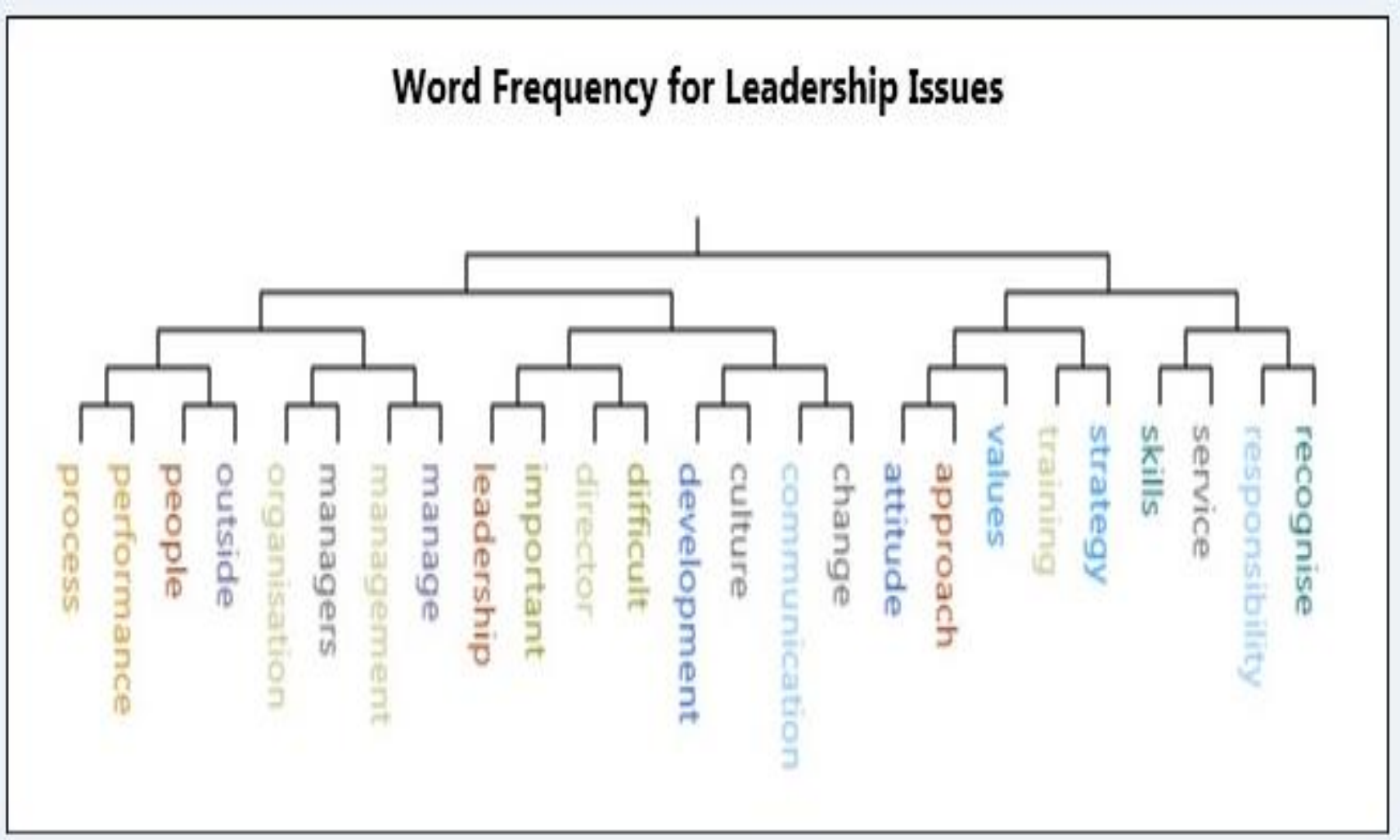


Figure 12 – NVivo dendrogram for Leadership Issues

4.3 Results for Research Question Two

As previously stated, research question two seeks to provide evidence of elements of the intellectual capital construct structural capital employed within the organisation. Figure 13 displays those nodes ascribed as pertaining to structural capital and figure 8 displays how these nodes relate to the conceptual framework. Figure 14, which is an NVivo tree map diagram is utilised to highlight relationships between the structural capital codes and to highlight their relative importance within the data (as demonstrated by the size and position of individual codes within the diagram). Figures 13 and 14 are demonstrated on the following pages.

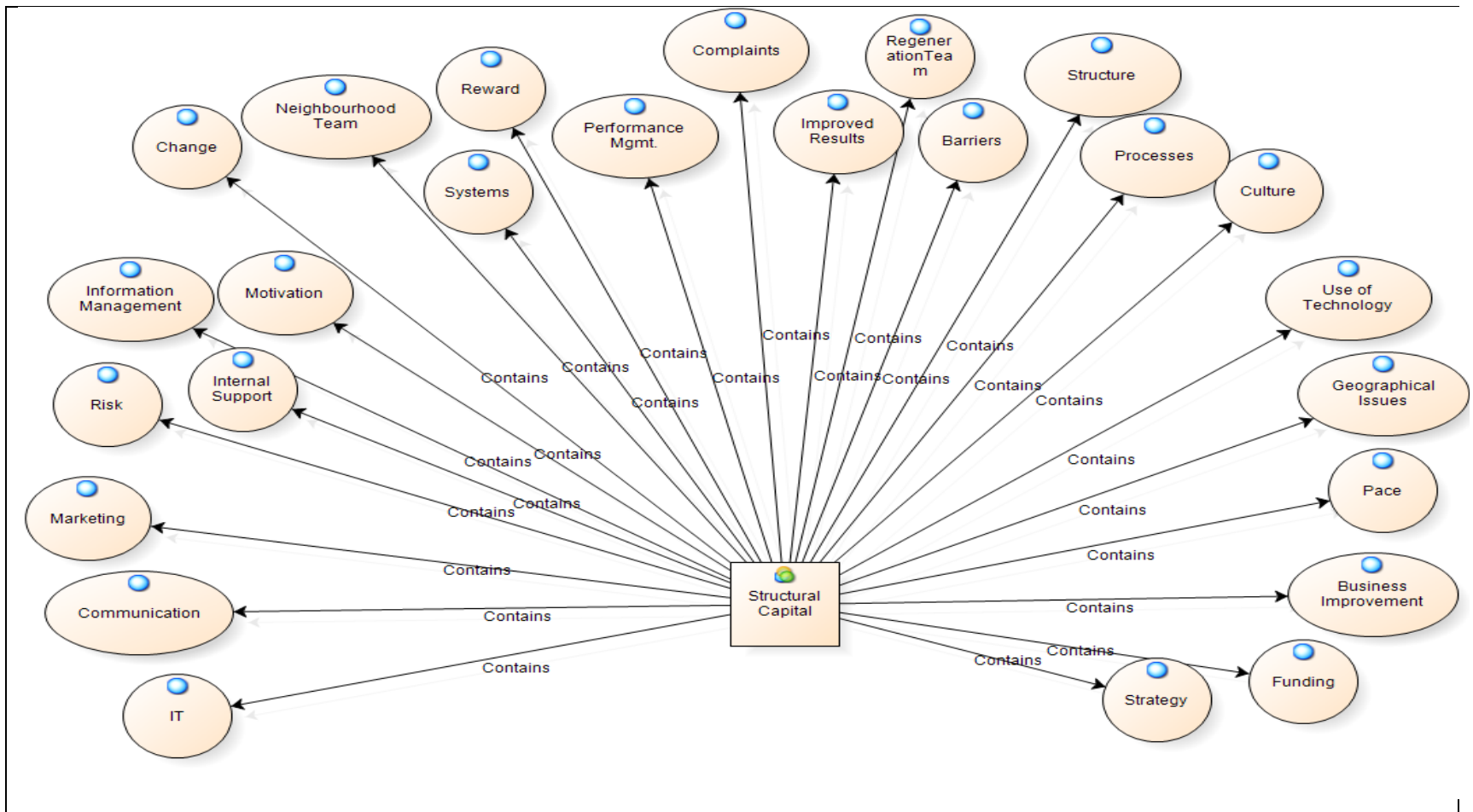


Figure 13 – NVivo diagram displaying structural capital nodes



Figure 14 – NVivo tree map for all structural capital nodes

Communication Channels

As communication and its child nodes are highlighted as the most coded (see figure 14), the analysis commenced with them. They are referred to in the questionnaire as knowledge sharing mechanisms. Table 41 displays the knowledge sharing mechanisms in place as identified by the questionnaire respondents.

Please highlight all the knowledge sharing mechanisms in the organisation that you are aware of	
Answer Options	Response Percentage (%)
Intranet	94.30
Internet	80.00
Email	94.30
Departmental meetings	97.10
Specific topic meetings	71.40
One-to-one meetings with manager	97.10
Informal conversations with colleagues	91.40

Table 41 – Questionnaire respondents’ knowledge of Communication Channels

As demonstrated by table 41 a high number of respondents were aware of the methods by which knowledge could be shared within the organisation. Further to these a number of respondents (nine) commented and identified additional communication channels that included digital signage (Q1), the staff conference (Q2) and department away days (Q7). Questionnaire respondents were then asked to rate how effectively they felt these communication channels facilitated the sharing of knowledge and their responses are displayed in table 42.

Respondents’ views on effectiveness of communication channels				
Answer Options	Very effective	Effective	Somewhat Effective	Effective
Intranet	6	18	8	3
Internet	4	16	9	6
Email	8	20	7	0
Departmental meetings	12	19	4	0
Specific Meetings	8	17	8	2
One to One Meetings	16	15	4	0
Informal Conversations	10	18	7	0

Table 42 – Questionnaire respondents’ views on effectiveness of Communication Channels

Table 42 demonstrates that respondents indicated that they felt these communication channels were very effective or effective. Especially meetings and conversations were rated as effective, that is face to face communications. Interviewee I2 concurs and states “*Face to face is hugely important. People don’t always recognise how important it is.*” Interviewee I3 agrees and states:

“Communication is good when it’s direct and personal. A good example of that would be ‘Meet the Board’. The invite was placed on your desk, it was personal to you. The times and dates were on it.”

Interviewee I8 suggests how communication through technology may not be the most effective and states:

“Sometimes it may take a number of emails to get that understanding; perhaps I should have saved that time and just gone to see the person to get the point across.”

A number of interviewees did however, point to issues with communication channels and communication in general. Particularly interviewees I2, I3, I4, I5 and I6 who all point to ‘*too much*’ communication which has the opposite effect in that it makes the communication ineffective.

It can be seen from above comments that the management demographic (that is the interviewees) within the organisation, identify concerns with the amount of communication (interviewees I3 and I5), the type of communication (interviewees I3, I5 and I6) and the less than successful acceptance of the Intranet (interviewees I2 and I4). Additionally, interviewees I2 and I6 point out the requirement for the personnel being communicated to, to take responsibility for understanding what is being told. It is similarly pointed to when interviewee I6 makes reference to communication with the neighbourhood team, a theme that surfaced whilst analysing the human capital construct. Barriers to communication as identified by the questionnaire ranged from reluctance and power games to the pace of change within the organisation. The demographic represented by the questionnaire also identify issues with communication and the themes surfacing suggests that the rate of change and pace negatively affect effective communication. Pace has previously been identified as having a possible link to staff churn. The construction of an NVivo tree map diagram which may be seen at figure 15, visually displays the elements of communication and their relationships within the organisation.



Figure 15 – NVivo tree map of the communication code elements

Internal Forums

Internal forums is a frequently coded node which refers to those fora inside the organisation that are in place to engage with staff. The organisation’s strategy refers to this in an aspirational fashion by stating that “...*implement an annual staff survey to measure and monitor improvements...*” Data from the interviewees similarly indicated many fora in place and the data records a spectrum of fora that range from formal meetings and staff groups to informal ‘get togethers’ such as the Christmas party and social gatherings. Overall the data does suggest that a large number of internal forums are in place. Upon analysis, the node internal communications proved to be populated by many codes that were duplicated by communication channels but an important link through the data to communications team was highlighted and that will now be analysed.

Communications Team

Interviewee I2 stated “*Communication and Governance, this is the team responsible for all internal and external communications to residents, stakeholders and interested parties.*”

Interviewee I5 concurred with the above, albeit by ascribing a negative inference:

“We have a formal communications team who issue stuff. Emails, newsletters. When something is going to happen we have a launch. We put things on the Intranet... It’s all formal. It feels like a 1980s American business when it should feel like us. It’s all a little too serious maybe. Communication is too formal and too controlled and too bloody boring.”

Analysis of the communications team node uncovered an important suggestion raised by interviewee I2 who stated:

“I don’t think we do enough to reinforce internal communications within the organisation, I think it just happens, and it doesn’t happen particularly well at the minute.”

Therefore, this analysis demonstrates that whilst there are numerous communication methods in place and generally staff have a good awareness of them, issues were identified around the amount of communication and specifically issues with internal communication.

Performance Management

Performance management as coded in this research is an important element of Sveiby’s (1997) model and in this context encompasses how performance is directed, embedded within the organisation and finally measured. Its importance to the organisation is highlighted in the organisation’s strategy document that states that a performance framework will equip the board with a comprehensive overview of the overall health of the organisation. Moreover within the organisation’s strategy document the board state they wish to use performance management to:

“...deliver core corporate and value driven development activities, including leadership, customer service and management development to support culture change...”

The above mentioned codes of customer service, culture and change as surfaced above will be explored further later in this section. In order to visualise performance management and its relationship to other codes, figure 16 displays an NVivo tree map.



Figure 16– NVivo tree map of the Performance Management node

Data collected from the questionnaires indicates how performance management is viewed and used within the organisation and there are a number of references recognising the organisation's use of performance management systems. These are also referred to as performance reviews and performance development reviews. It is encouraging to note that the respondents also made reference to a number of organisational initiatives which are in place to improve performance particularly references respondents Q3, Q8 and Q9 and this does suggest that performance management is in use within the organisation. References to the performance development review process as surfaced by the questionnaire respondents are common. Interviewee I2 succinctly captures the reason for using the performance development review tool as *"Performance development reviews mainly. It's good to see that finally objectives can be seen to link up to the organisation and down to staff. They are relevant and people are starting to see how they fit in with the bigger picture."* However, interviewee I4 suggests that there are some issues with the performance development review process that may be worth further investigation.

"It's difficult in support services as its not obvious where we fit into the strategy. We are going to do some work to overcome this, to show where we do fit, so in the performance development review process the objectives have to show delivering customer services for example, a lose fit."

A performance management tool developed by the organisation, Annual Performance Priorities, referred to with the organisation as the APP, is referenced by interviewee I1, I5, I6, I7 and I8. Interviewee I5 attempts to define the use of the APP and again this adds weight to the supposition that performance management is utilised within the organisation:

"So it's formalising the performance framework then identifying areas that leap out from that either because they are failing or because they are of such significance we want to improve them."

It of note that a theme surfaced during analysis of the human capital elements (section 4.2), transferred staff is also referenced here. Interviewee I2 states:

"I can really see a difference in the staff that transferred over they've bought into this journey and they can see the benefits. In the beginning there was very much a 'them and us'. What we need to remember is that some of us chose to join the organisation whilst a lot of them were forced to. They had no option effectively. A lot of them were very comfortable previously in their own worlds where there was no performance management, no monitoring, no customer service checks it was just do your job and like it or lump it."

Interviewee I3 suggests that how historic working practices may have influenced the current position:

“If people still have ties to those old methods you will see examples of it. It’s like a power struggle really, and whilst the council was bad at dealing with capability issues, it just didn’t happen, they were allowed to carry on with poor performance, so, the way this organisation deals with things from an employment point of view has been a stark clash for those who transferred...”

This suggests a possible link with the negative attitude of some staff who transferred into the organisation from the council that has an effect on performance. Interviewee I5 concern around the board’s attitude surfaces again with reference to performance management and states:

“Ok. We beat ourselves up too much. That’s the board’s fault. The board has an obsession with top quartile performance. My view is everyone in Wales can be top quartile but still be shit. Or everyone in Wales could be performing very well but only a quarter of them will be in the top quartile.”

This again is of note as the attitude of the board was also raised as an issue during the analysis of the human capital elements (section 4.2). How the performance development review process fits into the organisation is posited by interviewee I2:

“Performance development reviews mainly. It’s good to see that finally objectives can be seen to link up to the organisation and down to staff. They are relevant and people are starting to see how they fit in with the bigger picture.”

Link to Organisational Objectives

Performance management and organisational objectives were linked through coding (see figure 14), hence analysis of this node, link to organisational objectives, was undertaken next. Questionnaire respondents were asked how relevant they felt their personal performance development review objectives were in relation to those of their department and their responses may be seen in table 43.

How relevant do you believe your personal objectives are in relation to those of the department?				
Answer Options	Very Relevant	Relevant	Some Relevance	No relevance
Please rate relevance	17	15	2	0

Table 43 – Questionnaire respondents’ views on relevance of personal objectives to those of their department

From table 43 it is interesting to note that two respondents only felt ‘some relevance’ in their performance development review objectives relevance to those of their departments. This makes interviewee I4 assertion more relevant, “*It’s difficult in support services as its not obvious where we fit into the strategy.*” The question was then asked about relevance to overall objectives to the organisation and respondent responses are displayed in table 44.

How relevant do you believe your personal objectives are in reference to those of the organisation?				
Answer Options	Very relevant	Relevant	Some Relevance	No relevance
Please rate relevance	15	16	3	1

Table 44 – Questionnaire respondents’ views on relevance of personal objectives to those of the organisation

Whilst it is encouraging to note that the majority of respondents recognise the relevance of their personal objectives to the organisation’s objectives, there are again a number who appear not to realise how they align. The organisation’s strategy sets out the need for relevant performance objectives and states its aspiration to “*regularly review performance against the objectives, priorities and targets it establishes.*” The organisation’s Information Technology strategy document makes reference to supporting the overall strategic aims of the organisation on several occasions and makes numerous references to ensuring that it facilitates progress towards the organisation’s objectives. The data returned from the interviewees for this code makes reference to the above assertion:

“The information technology strategy is aligned with the business strategy so we are all aware of the direction we should be going. Each of us have our own individual objectives as well which contribute to the overall information technology department.”

Project improvement groups are referenced by interviewee I7 who indicates how objectives may be linked within the organisation, and makes an important link to the organisation's strategy:

“If you think about our strategy and the APP and our project improvement groups, it all fits and you need to understand what happens at the top to see how things all link up. And not just the board members it's the work put in by the directors and heads of service that can be seen in these meetings too. To see how decisions are made.”

Interviewee I8 also provides a useful view on how organisation objectives are linked back to the objectives of individuals:

“I think that by being a member of the performance management group and a member of the Cabinet group I get to see what the objectives and the priorities of the organisation are. Yes, this really helps me to be clear about what I and my department need to do as our part in achieving the overall organisational objectives.”

This provides an important view on the process involved in ensuring that objectives are linked throughout the organisation. A number of interviewees do however, make reference to areas where these links could be strengthened. Interviewee I6 states that *“It is an issue that we don't join up our objectives across the organisation.”* Interviewee I5 warns of the possible consequences of not getting organisation objectives linked to those of individuals and tells us:

“We have policies and we have procedures and where required they are sometimes followed rigidly sometimes not. In truth we have as many ways of doing things as we have people. I don't think there is enough focus on achieving the purpose. Even the people who come to work and work very hard all day, even if the system is rubbish, management has some responsibility when they tell people they need to work harder. We have failing systems pretty much across all areas of operation.”

It is encouraging that the analysis indicates the importance of performance management to the organisation and interviewees realise the practical implications of ensuring that individual, departmental and organisational objectives are aligned.

Key performance indicators

A method of measuring progress towards objectives and therefore being able to address issues like those highlighted above is the production of key performance indicators. The organisation strategy document sets out a performance framework that “... *incorporates Key Performance Indicators and operational management information*” and these are comprehensively reported upon in the annual review document under the heading of Performance and Targets. Given the importance of key performance indicators to achieving organisational objectives, questionnaire respondents were asked to rate their awareness of them within the organisation. Their responses are displayed in table 45.

How aware of you of the organisational key performance indicators?				
Answer Options	Very Aware	Somewhat aware	Aware	Not aware
Organisation wide	17	9	6	3
Departmental	21	6	7	1

Table 45 – Questionnaire respondents’ awareness of key performance indicators

As may be seen from table 45 respondents generally have a sound awareness of their departmental and organisational objectives. In addition to the above data, ten respondents made comments which suggest that key performance indicators within the organisation are recognised as important. Interviewee I6 makes a point worthy of further analysis and states:

“We’ve never evaluated our processes so we don’t really know. We’ve got some key performance indicators, some data but we have not stripped back the process to see if we have got the right resources, the right teams, people in the right places. You know, until we do that?”

Interviewee I6’s assertion that key performance indicators are affected by operational processes further highlights the importance of processes to the organisation and to this research due to the amount of coding references ascribed to them. As such, they were analysed next.

Processes

Processes surfaced as a theme, and is a frequently coded node within the data. From the questionnaire data the respondents indicated their awareness of manual processes in use within the organisation and their responses are displayed in table 46.

Please rate your level of awareness of manual systems in use within the organisation				
Answer Options	No awareness	Some Awareness	Aware	Very aware
Please rate your level of awareness	1	13	19	2

Table 46 - Questionnaire respondents' awareness of manual processes within the organisation

The results demonstrated in table 46 suggest a high level of awareness of manual processes. Respondents were then asked to rate the effectiveness of these manual processes as displayed in table 47.

How effective do you believe these systems are?				
Answer Options	Very effective	Effective	Somewhat effective	Not effective
Manual	3	15	12	4

Table 47 - Questionnaire respondents' view of the effectiveness of manual processes within the organisation

The responses in table 47 would suggest that approximately half of the respondents do not perceive the manual processes in use within the organisation as effective. In support of those respondents who believe manual systems are less than effective, the interview data highlights some interesting views. Interviewee I1 succinctly sums up the overall theme present in this area and states:

“I think there are still some working practices that need to be drastically streamlined, if we have a look at some of the information coming through from the residents we can actually see areas of continued failure due to the current working practices so this does need to be addressed.”

A way to improve the situation is offered by interviewee I2 who offers:

“For us to be a really successful organisation we need to embrace process. Having seen many other housing associations in action I think we are one of the best, but we could be so much better, more focused and more knitted together.”

The previously surfaced theme, neighbourhood team, is also referenced against processes by interviewee I3:

“For neighbourhood services after the transfer it was business as usual and because of that the same processes and methods of working, the same rituals have come over.”

Processes are linked to culture and innovation by interviewee I5 who posits:

“I would say the whole culture would be do more stuff, and when you’ve done that do some more stuff rather than change what you are doing and deliver things better. A lot of the processes here don’t encourage innovation, the opposite in fact.”

In addition to manual processes the organisation makes use of technology to automate them. Electronic processes and technology itself are analysed below.

Use of Technology

Analysis demonstrates that use of technology is frequently coded and in fact it is interesting to note that for this element, coding references were demonstrated across all data sources, with this being the most referenced node. The organisational strategy makes a number of references to technology and specifically states it will use technology to improve customer service in maintenance and neighbourhood services and achieve agreed targets. Whilst this reference pertains to future use of technology with the assumption that its introduction will provide organisational benefits, the annual review document makes reference to benefits in place from implementing technology:

“We are now equipped to offer improved services at our west, east and central offices supported by robust information systems that are delivering tangible benefits to residents and staff.”

The questionnaire respondents were asked to comment on their awareness of electronic systems in use within the organisation. Their responses are in table 48.

Please rate your level of awareness of electronic systems in use within the organisation				
Answer Options	No awareness	Some awareness	Aware	Very aware
Please rate your level of awareness	0	5	16	14

Table 48 – Questionnaire respondents’ awareness of electronic systems

The responses demonstrated in table 48 for awareness of electronic systems indicates a positive level of awareness of systems within the organisation and this suggests a greater level of awareness of electronic systems than manual systems as demonstrated by table 46. The respondents were then asked if sufficient access to these systems was available to them as displayed in table 49.

Do you believe you have sufficient levels of access to these systems?			
Answer Options	Yes	No	Don’t Know
Electronic	31	4	0

Table 49 – Questionnaire respondents’ access to electronic systems

As can be seen respondents answers in table 49 they indicated that sufficient access was available. They were then asked to rate the effectiveness of these systems and these responses may be seen in table 50.

How effective do you believe these systems are?				
Answer Options	Very Effective	Effective	Somewhat Effective	Not effective
Electronic	8	15	12	0

Table 50 – Questionnaire respondents’ view on effectiveness of electronic systems

Again, respondents indicated that they classed the systems as generally effective. Interviewee I1 indicates how the effective use of technology is shaping change within the organisation by stating that the IT systems are providing evidence to reinforce the need to change and supporting decisions as to what shape departments will need to be in the future. A very positive reference is given by interviewee I2 who states that he has never worked anywhere where there has been such good technology but he stated that he doesn’t think people realise how lucky they are to have access to what they’ve got, technology wise.

This positive theme is continued by interviewee I5 who posits the information technology equipment is new, up to date and fit for purpose. The interviewee goes on to suggest that:

“The information technology is amazing, that ability to work from home is amazing everything we’ve got is really good. The non-technology systems are holding us back. From not understanding, even some of the basic stuff we have.”

These positive comments are however, tempered by some areas highlighted for improvement. The following interviewees I2 and I3 make reference to the need for further technology training and again the issue of pace is picked up by I2. Interviewee I6 links pace and issues with processes and states:

“The reason we’ve held back on our housing management system replacement has been because we don’t understand our processes. We need to sort them out before we automate them. Otherwise it would be a waste of time and money.”

The large amount of coding references across all data sources backed up by the questionnaire data and very positive interview references argues for the importance of the use of technology in the organisation.

Culture

Analysis moved to the culture node. The organisation’s strategy states its intention to deliver core corporate and value driven development activities, including leadership, customer service and management development to support culture change. The residents’ participation strategy adds the following:

“We recognise the long term commitment required to truly develop a ‘culture of participation’ within the organisation and we will work with residents and staff to agree the most practical and effective ways of achieving this positive culture change.”

It is interesting to note the links these statements make to customer service and change both of which have been created as NVivo codes. Many of the coding references suggest that there are problems with the culture of the organisation. Interviewee I1 reinforces the link between culture and processes and states:

“But there is a lot of examination going on in relation to blockages to successful business processes and one of the outcomes of that might be to address the attitudinal issues of areas of the organisation that are seen as blockers.”

The manifestation of cultural issues is alluded to by interviewee I2 who states *“My team’s main challenge is peoples’ behaviours, attitudes, ‘living the values’, inappropriateness.”* An attempt to summarise the cultural issues is further made by interviewee I2:

“I think I can describe what the aspiration of the culture is, but for me at the minute, the culture is one of fear, cynical, a lack of trust and I think that at the senior management team end want to give staff trust, we want don’t want them to feel afraid to speak up. There’s an awful lot of that and I don’t understand it.”

Interviewee I3 gives a specific account of poor culture in action:

“Culture, there is still that ‘them and us’ and at times it does meet harshly in some situations. They clash, at times when you could really do without that clash. At staff conferences this stands out like a sore thumb, it’s really apparent to the point of being uncomfortable. But I think that at the conference everyone should be involved, no one should sit outside of the event, everyone needs to be involved... It’s at time like this that it is very apparent the culture is one of them and us.”

It is suggested by interviewee I4 that the culture in the organisation is unique:

“The culture here is different to anything I’ve seen before, there is a Council culture that stems from the committee, managers there. I’ve managed people with local authority and private sector backgrounds I’ve seen problems with both.”

The theme of transferred staff rises once again and interviewee I5 posits:

“Look there is a difference between the staff that transferred and the staff that arrived. Now, I believe that the council, pre-transfer had better housing staff than most local authorities and they were motivated for transfer. But their motivation for a continuously improving organisation is a completely different issue. In their minds they were already doing a good job and perhaps only needed some small changes. The way those changes have been communicated has caused problems and I think there are now cultural problems or behavioural issues because of it.”

From the analysis there is a suggested link between cultural issues, associated with the recurring theme of transferred staff.

Change

Upon analysis the code change, had similar themes to that of the culture node and similarly raises the themes of the pace, amount of change and an acknowledgment that some individuals resist change, particularly transformational culture change. Table 51 demonstrates the respondents' perception to levels of flexibility (with reference to change) within the organisation.

Please rate how you perceive levels of flexibility to change				
Answer Options	Much flex	Appropriate flex	Some flex	No Flex
Organisationally	3	16	16	0
Departmentally	9	16	10	0
Colleagues	6	13	14	2
Yourself	14	18	3	0

Table 51 – Questionnaire respondents' perception of flexibility to change

It is interesting to note from table 51 that respondents saw themselves as flexible to change but did not perceive their colleagues, departments and the organisation as flexible to change. This appears to be supported by respondents' perception on their ability to influence change as displayed in the table 52.

How do you rate your ability to influence change				
Answer Options	Much Influence	Appropriate Influence	Some Influence	No Influence
Please rate your level of influence	7	15	7	5

Table 52 – Questionnaire respondents' perception of ability to influence change

Table 52 suggests that individuals generally feel empowered to influence organisational change. From the analysis of the change code interviewee I5 suggests a link between the culture and structure of the organisation and refers to this as command and control:

"I think we talk about it a lot. We have done too much talking about it and not enough doing. That may be down to forming management issues. The senior management team issue, silo working, command and control."

Structure

Interviewee I4 agrees that a silo structure is prevalent and states:

“People are still working in silos. The team structure is not there. There are teams with good relationships with individuals but that is not seen across the organisation.”

The prevailing structure is explained by interviewee I5:

“Look, the board is very old fashioned to be honest. That’s where the command and control ultimately comes from. They selectively chose the operational areas they want to be involved in and that’s very frustrating. It’s a major blockage actually.”

Analysis demonstrates that the theme of the board is also referred to here and again referred to in a negative fashion. Interviewee I7 concurs:

“I think it can be perceived as from the top down. The expectation is that it’s that way. It’s almost ‘tell us what to do’. Ok, so the strategy has to be developed from the top to set our objectives but it’s not hierarchical. Our ET is welcome to new ideas.”

It appears that generally the interviewees believe that a command and control approach to structure is prevalent within the organisation and they indicate that silo working is in evidence.

Strategy

The questionnaire respondents were asked their view upon the effectiveness of strategy within the organisation. Their response may be seen in table 53.

How effective do you rate the following for the organisation?			
Answer Options	Very Effective	Effective	Somewhat Effective
Departmental strategy	12	18	4
Overall strategy	11	16	6

Table 53 – Questionnaire respondents’ views on Strategy within the organisation

From the responses in table 53 it is encouraging to note that these respondents indicate that they rate their departmental and the organisational strategy as effective. The organisation strategy document states its intention as:

“Our Strategy attempts to describe how we intend to deliver, over the next five years, all that has been promised & more and demonstrates that we have the financial capability to do so.”

The information technology strategy document also has numerous references to the organisation’s strategy and it sets out how it will support the overall strategy and strategic direction of the organisation:

“The strategy states its strategic aim as “to support the overall strategic aims of the organisation by providing reliable information to the point of need, underpinned by robust and integrated computer applications and delivered by up to date integrated networks and telephony systems.”

Interviewee I6 sets a positive note, *“We have our strategy and we know what the priorities are. We have the APP but overall we know what we are trying to achieve.”* This view is supported by interviewee I7 who posits:

“If you think about our strategy and the APP and our project improvement groups, it all fits and you need to understand what happens at the top to see how things all link up.”

The recurrent theme of transferred staff is highlighted by interviewee I8 who states:

“That strategic level and view makes it very difficult for transferring staff to understand the new strategic view where residents are at the heart of everything.”

Interviewee I4 provides an historical perspective and suggests that the strategic situation has improved over time:

“I don’t think we have added value in its truest sense. What we do seem to have done up to now has been reactive, responding to situations and we’ve had difficulties in particular areas where we have had to police situations, get involved in investigations. That needs to change, we aren’t there to do that. We need to constantly look at the way we do things, continuous improvement and feeding into the strategy for excellent customer services and helping other departments to do the same thing.”

Generally, the data indicates a positive strategic approach and interestingly highlights the requirement for continuous improvement and excellent customer services. Again the issue of the ability for transferred staff to accept the strategy is raised.

Continuous Improvement

Encouragingly the organisation's strategy document clearly states its intention to become a dynamic organisation that listens, learns and improves continuously. It further defines its intention to:

“...provide a comprehensive framework for translating the organisation's priorities into a coherent set of performance measures from four different perspectives customers, internal business processes, learning and growth and financial and legal.”

This is of note as these balanced scorecard (Kaplan and Norton, 1992) perspectives have congruence with Sveiby's (1997) intangible assets monitor model albeit that the financial and legal elements of the balanced scorecards (section 2.2.8) are not recognised as separate entities within Sveiby's model (section 2.2.11). The significance of this discovery within the data is that whilst intellectual capital is not promoted as a phenomena within the organisation at a strategic level at least, there is an acknowledgement that the constructs of customers (relational capital), internal business processes (structural capital) and learning and growth (human capital) are an important facet of the organisation. It is further of note that whilst this balanced scorecard approach is publicised within the organisation strategy document no reference is made to it in any of the respondent data collected and analysed, including that of the senior management demographic indicating that an holistic balanced scorecard approach is not embedded within the organisation. The approach to continuous improvement is supported by the resident's participation strategy which states an intention to develop a positive working relationship between residents, board members and staff to deliver continuous improvements to our service. Continuous improvement as a concept appears to be universally accepted by the interviewees. The extent of its use within the organisation is demonstrated by interviewee I5 below:

“There are examples of it from the chief executive right down to the trades staff where it is in use every day. It can be informal and difficult to identify. More formally, take the R-Design document, that’s our service improvement tool and we’ve created a system approach that is articulated on paper. It explains how we improve our services. The skills needed to then deliver that approach is probably also related to intellectual capital.”

One example of continuous improvement in action is given by interviewee I1 who offers:

“There are a lot of organisations and individuals out there who are interested in what we have achieved here and because of that interest we are constantly examining what we have done and that brings us to question ourselves. Could we have done things differently?”

The recognition for the need of further embedding the concept is posited by interviewee I6 who states that *“We aren’t there yet. We are still too protective and not open enough to different ways of working.”*

The issues of transferred staff and possible barriers to continuous improvement are raised by interviewee I5:

“Look there is a difference between the staff that transferred and the staff that arrived. Now, I believe that the council, pre-transfer had better housing staff than most local authorities and they were motivated for transfer. But their motivation for a continuously improving organisation is a completely different issue.”

Analysis demonstrates that that the management demographic of the organisation generally suggests that there are examples of continuous improvement in action but they, along with the questionnaire respondents, made no reference to the balanced scorecard approach outlined in the organisation’s strategy document. The above link between continuous improvement and motivation identified by interviewee I5 led to exploration of the motivation node.

Motivation

Whilst motivation is an intangible within the organisation its links to culture, change and continuous improvement have become visible themes within the data, and it is acknowledged that positive motivation could affect improved organisation performance. Questionnaire respondents were asked what motivated them and their responses are displayed in table 54.

How do you rank the following motivators?				
Answer Options	Highly motivates me	Motivates me	Somewhat motivates me	Does not motivate me
My pay	9	19	6	1
Benefits package	6	17	9	3
Personal development	13	18	2	1
Stability & security	16	18	1	0
Variety of role	13	12	8	2
Being treated well	16	16	2	1
Supportive colleagues	12	21	2	0
Supportive management	15	18	1	1
Sense of pride in achievements	28	7	0	0
Making a difference	28	7	0	0

Table 54 – Questionnaire respondents’ views on motivators

Whilst table 54 demonstrates that there is a spread of responses, it is interesting to note that respondents indicate that rather than traditional rewards, it is pride in doing a good job and making a difference within the organisation that motivates them. Respondents were then asked their views on the motivation of their departments and the organisation itself. Their responses may be found in table 55.

For other staff using your perception how do you rank the following motivators?				
Answer Options	Highly motivated	Motivated	Somewhat motivated	Not motivated
Your department	10	19	4	2
The organisation	3	17	11	4

Table 55 – Questionnaire respondents’ views on motivation of department and organisation

As demonstrated by table 55 the data suggests that respondents felt their immediate departmental colleagues were more motivated than staff in the organisation generally. The organisation’s strategy highlights the organisation’s belief in the value of motivated staff by stating that it considers that good governance and a diverse, skilled and motivated workforce is essential to achieve our vision and mission. In support of the questionnaire respondents’ responses upon motivators, interviewees I1 and I2 posit that motivation is not just financial. Interviewee I2 goes on to give an example of a team that they believe is motivated:

“I think the information technology team have had a really exciting journey with a huge pressure to deliver as well. The information technology team are seen as the ‘fun team’. No matter how bad things get the team can laugh and carry on and that’s very important. What I’m saying is the information technology team has a personality.”

This is countered with an illustration of areas where minimal motivation appears to be in place as suggested by interviewee I5:

“It is interesting that those teams based more physically close to the executive, can see them regularly, see they are human, appear far more relaxed about the compliance messages and the very formal communication that arrives. When you look remotely at the teams off site, who don’t have that interaction, they almost seem terrified and pissed off by the communication that arrives.”

The above comment links to a recurring theme where issues of geographical location, specifically in this context where staff are located, is posited to have an effect on motivation, change and culture. Interviewee I8 makes an interesting link between motivation and innovation and suggests:

“We don’t want people to think it’s just change for change sake. We need to move forward, other housing associations are our competitors and we need to recognise that. One example would be the social housing grant. It used to be freely available, but now it’s become some kind of a beauty contest where each housing association will have to come up with better, more sustainable, more innovative solutions.”

This guides the research to analysis of the code innovation.

Innovation

Innovation is a recurrent theme within the data, and has a high number of coding references. Questionnaire respondents were asked to rate their perception of innovation within the organisation and their responses are displayed in table 56.

Answer Options	Response percentage (%)
Forward thinking	82.9
Backward looking	0.0
Don’t know	17.1

Table 56 – Questionnaire respondents’ perception of innovation within the organisation

Analysis of table 56 demonstrates that respondents perceive the organisation to be forward thinking, that is, in this context, innovative. Respondents were then asked where they perceived this innovation may be taking place. Their responses are in in table 57.

Where are the greatest levels of innovation?				
Answer Options	Excellent level of innovation	Good levels of innovation	Basic level of innovation	Poor level of innovation
Individually	5	26	4	0
Departmentally	7	23	4	1
Organisationally	2	21	11	1

Table 57 – Questionnaire respondents’ perception of who innovates in the organisation

Through table 57 the respondents indicate a perception of a good level of innovation across the organisation and numerous additional comments were made. Whilst these comments are generally positive about the innovation within the organisation respondent Q22 highlights that it may not be an organisation wide phenomena:

“The effective use of staff is governed to some extent by the leadership within that department. To say this varies across the organisation is somewhat of an understatement. It is evident which departments are led by someone who stifles innovation and free thinking, and those that encourage staff to think outside of the box and are allowed to express themselves.”

Interviewee I5 states *“The enthusiasm is there to be innovative. A large number of people don’t understand what innovation is.”* This suggestion that actors within the organisation have different definitions of innovation is supported by interviewee I2 who informs that:

“Different people have different impressions of innovation. From completely new to just not re-inventing the wheel. For me it’s brand new. No one has thought of it before, so I don’t think we are innovative yet.”

A different perspective is taken by interviewee I1 who states:

“The information technology team are innovative anyway, it’s part of what they do. This team is more innovative than other ones I’ve worked with and I think that’s because they’ve been empowered to make a difference.”

The above statement is given credence by interviewee I5 with this support “*But then again, look at some of the IT stuff we’ve got here. Totally innovative in its approach.*” The analysis demonstrates that there appears to be a positive perception of innovation in the organisation which the management demographic suggest may be in pockets. Several positive references are made to the information technology team and its innovative approach.

4.4 Results for Research Question Three

As previously stated research question three seeks to find evidence of elements of the intellectual capital construct, relational capital, employed within the organisation. Figure 17 displays those nodes ascribed as pertaining to relational capital and figure 8 demonstrates how these nodes relate to the conceptual framework. The codes developed by this research for the relational capital construct are visualised in figure 17, and their relationships and relative importance in the data is displayed in figure 18, both of which may be found below.

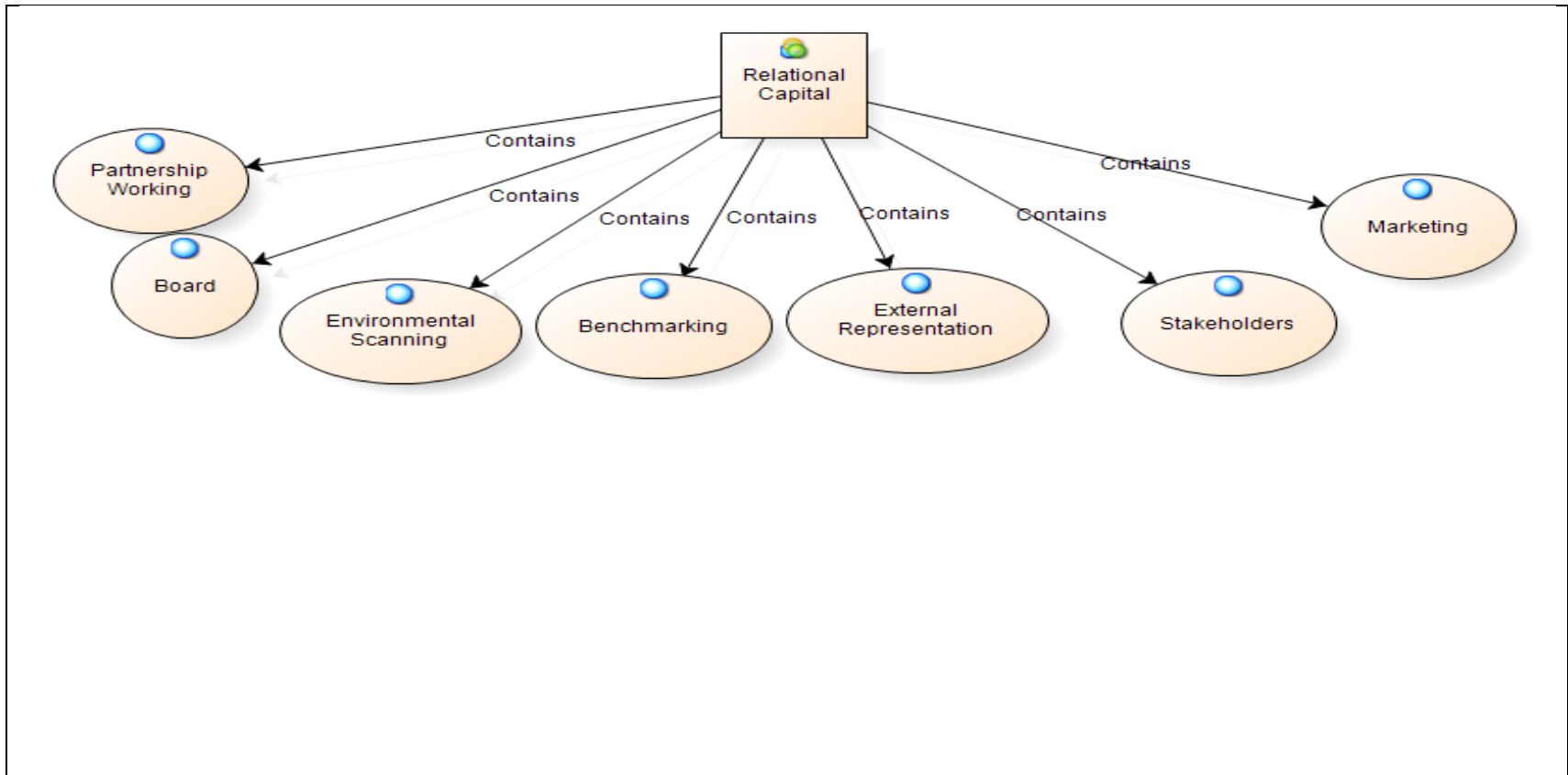


Figure 17 – NVivo diagram displaying relational capital nodes

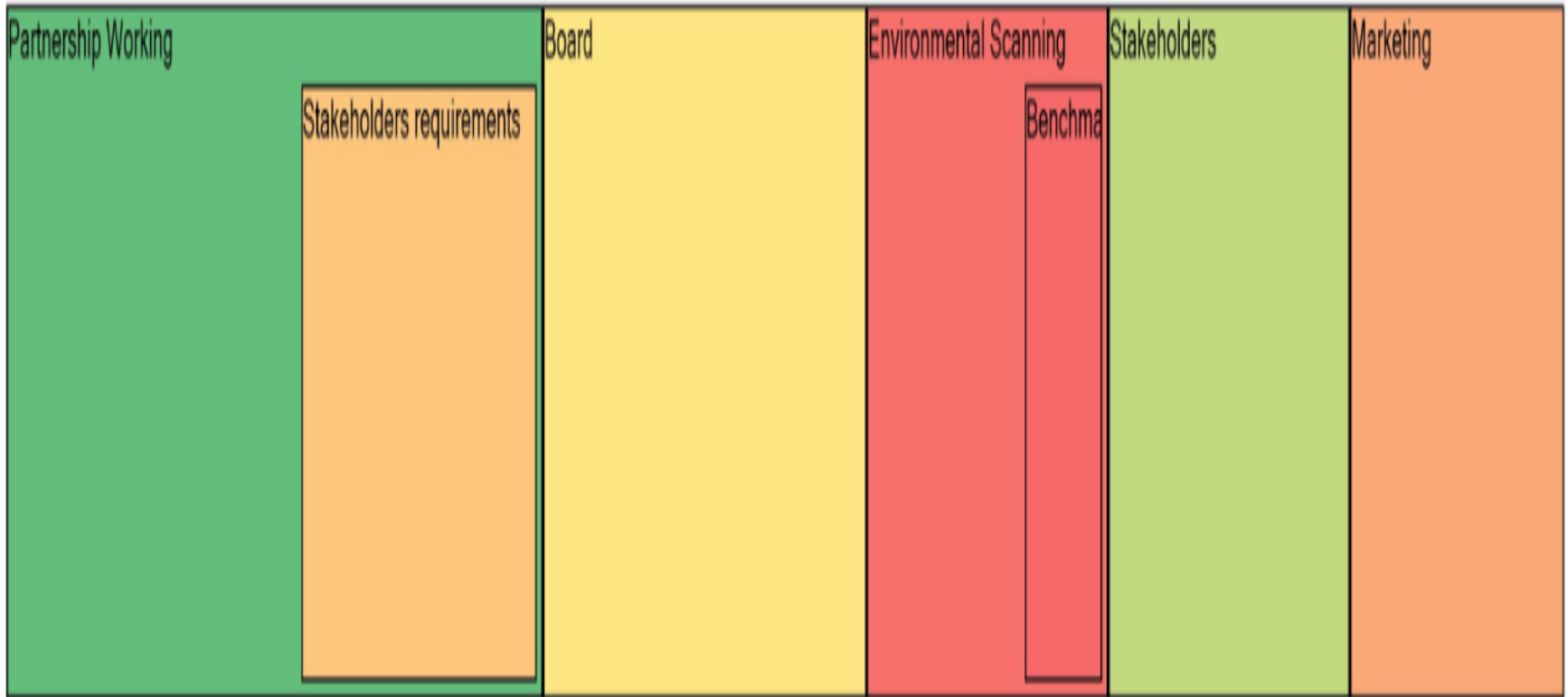


Figure 18 – NVivo tree map for relational capital nodes

Partnership Working

The themes included in partnership working and its child node stakeholders' requirements are succinctly defined by a sentence in the organisation's strategy document that states that the board is determined that everything we do will benefit not only our residents but will contribute to the regeneration of our city. The annual report document confirms the partnership approach taken by the organisation as a common purpose that will provide a clear foundation for the ambitions the organisation shares with residents and partners to be realised. A large number of partners ranging from health, criminal justice and private sector organisations are identified as partners within the organisation's strategy and annual report documents. Questionnaire respondents were asked to state their awareness of various stakeholder groups and their responses are detailed in table 58.

Questionnaire respondents' awareness of stakeholder groups	
Answer Options	Response percentage (%)
Residents	97.1
Panel members	88.6
Board members	100
Partner agencies	94.3
Other	37.1

Table 58 – Questionnaire respondents' awareness of stakeholder groups

Analysis of table 58 demonstrates a high level of awareness of these stakeholder groups. The interviewees identified a number of other groups and interviewee I6 suggests the importance of this code as *“In terms of partnerships we work with significant partnerships with social services, the local authority, health... many ways of partnership working.”* A note of caution is posited by interviewee I7:

“We need to see if these partnership meetings and ways of working are effective for us. I'm working on a template to help us calculate that. Is our time worth it. What do we get out of it? Are our views taken into account. Are we influencing things.”

Additionally, interviewee I1 raises a concern about the demographics of our stakeholders and suggests that its make-up is not completely representative:

“I think if you look at the communications panel, the average age is probably somewhere between 40 and 50, so there is a lot of the younger residents we are not touching at all.”

Whilst partnership working is seen as a central tenet of the organisation and the concept has great significance for the conceptual model analysis raises a concern around the demographics of our partners and the implication of that being a concern over whether the organisation is taking into account the needs of all partners and stakeholder groups?

Board

Analysis of the data demonstrates that the code, board, has significance, and indeed the theme of board has been recurrent in the analysis to date (see section 4.2). The annual review document argues the role of the board within the organisation:

“The role of the board is to provide strategic direction for the organisation within a framework that has at its heart the delivery of good quality homes and services within sustainable neighbourhoods.”

The partnership approach directed by the board may be suggested by the resident participation strategy:

“The structure of involvement developed by residents, board members and staff offers a range of opportunities that should enable residents to participate at a level which suits them.”

Interviewee I3 suggests the level of influence that the board has on the organisation as *“Our objectives are largely driven by the pace that board want us to achieve and equally we are driven externally by residents and projects groups.”* The recurring board theme indicated a negative attitude towards the board, and interviewee I5 makes a forthright statement:

“Everything good that’s happened in this organisation, according to the board, is down to the board. Everything bad, everything that’s gone wrong is the officers’ fault. I’d say the reality is almost the opposite. They are really frustrating. In fact, they can be bastards.”

A similar suggestion is made by interviewee I4 who states:

“Again, it’s in pockets. Generally, staff are demotivated and there is an issue with the board and their relationship with executive team which then affects relationships with the heads of service. Given some of the board’s recent decisions, I personally feel demotivated and then it’s hard to motivate the staff.”

This negative association with board is perpetuated by interviewee I3 who posits the board seem entrenched in the past and this is supported by interviewee I1 who offers that board members tend to be more senior in age, and maybe an injection of youth would allow us to represent more, younger residents.

The board node has been a recurring theme within this thesis. Links have been found to structure, succession planning and leadership issues. It is of concern that as the leaders of the organisation the management demographic represented by the interviews have indicated a difficult relationship between the board and executive officers of the organisation.

Environmental Scanning

The node environmental scanning and its child node benchmarking were coded to reflect how the organisation pays regard to external influences when undertaking its activities. The informational technology strategy indicates that it is predicated through environmental scanning and states that it was developed through environmental scanning in an effort to identify current trends in the sector, and sector best practice issues. The organisation’s strategy states its intention to:

“Compare our performance with peer organisations to ensure we are fully utilising all our resources and capacity to enhance the efficiency and effectiveness of resident and added value services.”

It goes on to indicate how this will be achieved by benchmarking the organisation’s costs with peer organisations via, HouseMark and other national data sources. These statements are noted as they indicate an understanding of utilising resources in an optimum fashion in order to achieve competitive advantage. Interviewee I6 suggests why environmental scanning may be useful to the organisation:

“We are still quite insular as an organisation. We focus inwards as opposed to looking outwards to see what others are doing. How the external environment is changing and what we need to do about it.”

Steps taken by the organisation in pursuance of this are suggested by interviewee I8 who states that *“We’ve visited places like Toyota, looked at Kaizen and we want to make our people aware of that ‘lets make a difference every day’. We need to inculcate that.”* It was noted that whilst the organisation strategy and the information technology strategy infer reliance upon environmental scanning and following that up through benchmarking exercises the node wasn’t significantly referred to by the management demographic of the organisation.

Stakeholders

In Sveiby’s (1997) model the external indicators mostly refer to customers, but as the organisation in this analysis is a not-for-profit, preference has been given to the stakeholder node and its associated coding. This refers to customers and individuals associated to the organisation. The organisation’s strategy indicates how it intends to work with stakeholders as follows:

“...undertake neighbourhood audits and develop action plans to maximise the potential of partnership working to produce the outcomes residents want for their neighbourhoods...”

This intention is supported by the resident participation strategy which states the intention:

“To work with the council and others to ensure that residents are involved in any issues concerning their community and local environment.”

The questionnaire respondents were asked to note which stakeholder groups they were aware of and which they had personal contact with. The results are displayed in table 59.

Questionnaire respondents’ contact with stakeholder groups	
Answer Options	Response percentage (%)
Residents	78.1
Panel members	68.8
Board members	71.9
Partner agencies	75.0
Other	31.3

Table 59 – Questionnaire respondents’ contact with stakeholder groups

Having satisfied that there was a high percentage of staff that had contact with the stakeholder groups through the data in table 59, they were asked to rate the effectiveness of certain methods of communication with them and these results may be seen in table 60.

How effective do you rate these contact methods?				
Answer Options	Very effective	Effective	Somewhat effective	Not effective
Letter	8	15	9	2
Email	8	23	3	0
Telephone	10	23	0	0
Face to face	20	14	0	0
Internet	1	12	15	2

Table 60 – Questionnaire respondents’ perception of effectiveness of contact methods

Analysis of table 60 demonstrates that the Internet is only perceived to be somewhat effective and this should be of concern as this communication channel has the potential to be a useful collaboration tool with stakeholders. It was encouraging that the other methods of communication were generally seen as effective. Interviewee I7 is one of the few managers who comments on stakeholders, but gives this positive perspective:

“I get feedback from people who live in our estates and they can really see a difference being made. Likewise we are employing local people, we’ve got the apprentices, changing areas.”

Dealing with these stakeholder groups therefore requires an element of management and marketing. The node marketing deals with coding relevant to forming a relationship between the organisation and the stakeholders.

Marketing

The residents’ participation strategy refers to publicising and providing information on resident involvement in newsletters and on the website. This statement may however, be dichotomous as respondents previously indicated in table 60 concerns around the efficacy of the Internet as a communication method. The questionnaire respondents were asked to indicate how they interacted with stakeholders. Their responses are displayed in table 61.

Do you represent the organisation at external events?	
Answer Options	Response Percentage (%)
Resident events	71.0
Resident ‘surgeries’	58.1
Annual general meeting	32.3
Panel events	54.8
Peer / networking events	71.0

Table 61 – Questionnaire respondents’ representation with stakeholder groups

Analysis of table 61 highlights numerous stakeholder events with a high percentage of respondents interacting with stakeholders in numerous fora. Respondents were then asked which externally published documents they were aware of, the results of which are recorded in table 62.

What externally published documents are you aware of?	
Answer Options	Response Percentage (%)
Organisational strategy	90.6
Board minutes	75.0
Annual Report	81.3
Departmental reports	65.6

Table 62 – Questionnaire respondents’ awareness of published documents

The data in table 61 demonstrates a sound awareness of these external documents and this was followed up by asking respondents about their awareness of how these documents are disseminated. Their replies are recorded in table 63.

What methods of publicising external documents are you aware of?	
Answer Options	Response Percentage (%)
Mailshot	67.6
Advertising(e.g. at events)	88.2
Internet	94.1
Other	11.8

Table 63 – Questionnaire respondents’ awareness of publicising documents

Analysis of the responses given in table 63 highlights a generally high awareness of how external documents may be publicised, but concern is raised over the high percentage of respondents who recognise that the Internet is such a method when the results in table 60 demonstrate that respondents do not rate the Internet as an effective communication method. Finally, respondents were asked if they had involvement in producing or promoting externally published documents and these results were recorded in table 64.

Are you involved in any of the following activities? Please tick all that apply	
Answer Options	Response Percentage (%)
Producing content for external consumption	81.8
Promoting documents externally	59.1
Other	9.1

Table 64 – Questionnaire respondents’ involvement in marketing activities

Interviewee I2 indicates that the organisation only markets itself locally and this would be in keeping with the organisation’s level of geographic influence. Interviewee I3 indicates what form this marketing takes *“Well, when we have resident meetings we give out leaflets and sometimes marketing gifts like pens, bags and other stuff like that.”* An example of targeted marketing is given by interviewee I6 who states *“We do actively market our Telecare services. We advertise in the hospital, in doctor’s surgeries.”* It is recognised that the staff demographic particularly, as opposed to the management team, is involved in representing the organisation externally and has a good knowledge of the documents used to publicise the organisation and indeed are involved in producing them.

4.5 Chapter Summary and Conclusion

This chapter commenced by re-stating the research aim and associated research questions. The conceptual framework (table 12) employed in this research was reiterated and the importance of Kong’s (2010b) individual intellectual capital constructs was outlined. Additionally, the relevance of this research with regards to the minimal amount of research undertaken against intellectual capital within social enterprises was reinforced. As stated in chapter two, the intangible assets monitor model required adaption for this research as Sveiby’s original model was developed for profit making organisations as opposed to this organisation’s not-for-profit status.

This does accord with Sveiby's (1997) assertion that the model should be used contextually depending upon the organisation's strategy and the assertion that managers do not need to utilise all of the indicators, only those deemed to be important. Performance elements associated with housing associations were also demonstrated relative to intellectual capital construct. It was noted that from the initial analysis of the organisation's strategy documents it became clear that at this stage in the organisation's development not all of these performance elements were in evidence. Research therefore concentrated upon those elements in use and it developed data collection methods in order to elicit data upon those elements in use. The approach to coding was discussed (section 3.6.4) and it was stated that upon its completion 192 NVivo codes had been developed. An NVivo cloud tag (figure 8) was used to diagrammatically represent the data. Biographical data on respondents was highlighted in order to evidence that a valid cross section of the organisation had been part of the data collection exercise.

Findings in relation to research question (section 4.2) one were then discussed and a journey made through the codes associated with human capital. Points of interest were highlighted at the point in the thesis where they were discussed, but a number of recurring themes became worthy of further discussion. Particularly there appeared to be concerns over the pace at which the organisation operates and a suggestion that this could affect staff churn. The attitude of the board was raised and the suggestion of a difficult relationship between the board and leadership of the organisation emerged. Further concerns were highlighted over transferred staff and possible links established between them and a negative culture, a lack of motivation and a negative staff attitude. The neighbourhood team who are transferred staff were referenced several times in a negative fashion and a possible link to their geographical location, that is, remote from the organisation's headquarters was inferred. Although varying degrees of evidence could be seen between individual nodes it can be posited that elements of the intellectual capital construct human capital are in place within the organisation.

Findings in relation to research question two (section 4.3) were then sought and a similar journey through the nodes associated with structural capital commenced. Further references to issues with pace were evident as was concern over the amount and efficiency of internal communication within the organisation. Further recurring themes included a perceived issue between the board and performance management and structure within the organisation. Likewise the subject of transferred staff was linked to issues of culture, strategy and the

ability to undertake continuous improvement. The use of technology and the information technology team were referenced as being effective and motivated and electronic processes were generally seen as more effective than manual ones. A major finding was that in the organisation's strategy, and for the purposes of this research, in a section coded as continuous improvement, a reference was found stating the organisation would adopt a balanced scorecard approach which is a method that has similarities with the intellectual capital approach. It was noted that whilst this statement resided within the organisation strategy document none of the questionnaire or interview data made any references to it. With varying degrees of evidence across codes it can be posited that elements of the intellectual capital construct structural capital are in place within the organisation.

Findings for the final research question (section 4.4) were then sought and the nodes associated with relational capital were viewed. The organisation's strategy document stated that partnership working was a central focus of what it wished to achieve and in line with this many stakeholder groups were identified as being in place. Of concern was the suggestion that the demographics of these groups meant that the elements of partnership working may not be truly representative. It appeared that the staff demographic of the organisation does play a large part in representing the organisation externally and in preparing content for external publication. With varying degrees of evidence across codes it can be posited that elements of the intellectual capital construct relational capital are in place within the organisation. The findings from this exercise are now ready to be analysed with reference to the literature and to highlight how they contribute to theory, method, and professional practice. Chapter five will seek to demonstrate these links.

Chapter Five - Discussion and Analysis

5.0 Introduction

This research commenced by presenting, in chapter one, the following academic aim, to perform: “An analysis of intellectual capital within a social enterprise context.” On completion of the literature, three research questions were formulated, one for each of the intellectual capital constructs which were defined as human capital (section 1.3.1), structural capital (section 1.3.2) and relational capital (section 1.3.2). These were “Is there evidence of human capital employed within the organisation?”, “Is there evidence of structural capital employed within the organisation?” and “Is there evidence of relational capital employed within the organisation?” Utilising the broad definitions of the above constructs and refining them in accord with Sveiby’s (1997) intangible assets monitor model (see table 11) in order to develop a list of elements associated with each construct, the research tested for evidence of those elements and hence the intellectual capital construct, in use within the firm. The previous chapter indicated that various elements of all three intellectual capital constructs (see figures 13, 17 and 21) used in relation to individual research questions were present in the firm, albeit with varying levels of understanding and degrees to which it was embedded. It was also noted that the overall strategy of the organisation aspired to a balanced scorecard (Kaplan and Norton, 1992) approach to performance management (see section 2.2.8). This which accords well with Kong’s (2010b) intellectual capital constructs and is indeed a paradigm similar to Sveiby’s (1997) intangible assets monitor model that was utilised as the conceptual model within this research (see table 12). However, no further references to this approach were noted during the analysis of organisational documents, questionnaires or interview data.

Reflection upon the conceptual framework used in this research discusses the merits of utilising Sveiby’s intangible assets monitor model indicators and Kong’s (2010b) intellectual capital constructs in order to ensure that an appropriate breadth of intellectual capital elements were captured for analysis. The usefulness of Sveiby’s (1997) and Kong’s (2010b) models contributions to this research are discussed (section 5.1) and the links between the conceptual framework and the codes and themes discovered in the data are demonstrated (see figures 19 to 21). Intellectual capital elements relevant to social enterprises are proposed and it is evidenced how they have been adapted, contextually, from Sveiby’s intangible assets monitor indicators. Kong’s constructs are reflected upon and their effectiveness with reference to this research is argued for. The analysis states this research has added intellectual

capital elements and has gone some way to empirically test intellectual capital and discover some practicalities involved in operationalising the concept. The individual parts of the conceptual framework (see sections 5.1.1 and 5.1.2) in this research are discussed leading to a diagrammatical representation of the main codes and themes discovered in the data (see figure 22).

The following table (table 65) is provided to show the links between the main research questions, the corresponding questions utilised at interview and to identify the themes that relate fully to the literature and which are classed as emergent. It is the codes defined as related to the literature that are fully explored throughout this chapter, and the themes specific to each research question are highlighted in table 65.

Research Question	Interview Questions	Link to the Literature Review	Notable Emergent Themes
Is there evidence of human capital employed within the organisation?	<p>Tell me about the range of experience within your department</p> <p>The results of a previous questionnaire suggested that people think this organisation undertakes a large amount of organisational training. Would you agree?</p> <p>What are your views on the organisation's values?</p>	<p>Benevene and Cortini's (2010) and Mesa's (2010)</p> <p>Kong (2010)</p>	<ul style="list-style-type: none"> • Reward • Leadership issues • Staff • Mentoring • Negative attitude • Transferred staff • People issues • Values • Succession planning • Mentoring • Staff churn
Is there evidence of structural capital employed within the organisation?	<p>What can you tell me about the nature of your department? How does it add value for the organisation?</p> <p>In terms of the performance of your department. How is it managed? Are your objectives relevant, do they fit with the department's, do they link in with the organisation's objectives?</p> <p>Moving on to motivation. How does this organisation encourage its personnel</p> <p>Have you ever heard of the phrase</p>	<p>Kong and Ramia (2010)</p> <p>Reychav and Sharkie's (2010)</p>	<ul style="list-style-type: none"> • Link to organisational objectives • Communication channels • key performance indicators • Use of technology • Processes • Culture • Change • Structure • Strategy • Continuous improvement

	<p>intellectual capital?</p> <p>How would you describe the how the organisation is made up? Its structure and culture?</p> <p>What is your involvement with the strategies and policies and procedures that are in place within the organisation?</p> <p>What tools are you aware of within the organisation to manage performance?</p> <p>Is technology used effectively within the organisation?</p> <p>Are working practices and processes within the organisation effective?</p> <p>Do you think the organisation could be classed as innovative?</p> <p>Is continuous improvement promoted within the organisation?</p>	<p>Sillanpaa et al. (2010)</p> <p>Andriessen (2004)</p> <p>Sillanpaa et al. (2010)</p> <p>Sillanpaa et al. (2010)</p> <p>Kong (2010b)</p>	
<p>Is there evidence of relational capital employed within the organisation?</p>	<p>What methods of communication do you make use of?</p> <p>Do you rely on any particular</p>		<ul style="list-style-type: none"> • Partnership working • Board • Environmental scanning • Benchmarking

	departments or individuals in order to get your job done?		<ul style="list-style-type: none"> • External representation • Marketing
	Do you represent the organisation externally?	Fletcher et al. (2003)	
	What externally published documents are you aware of?	Frooman (1999)	

Table 65 – Research questions and their link to interview questions and the literature

It is the codes demonstrated in table 65, their relevance to this research and importantly how they contribute to knowledge and practice that steer the remainder of the chapter. Each of the intellectual capital constructs is discussed separately. Human capital (section 5.2) within the research is evaluated and the major codes and themes are discussed with relevance as to how knowledge and practical issues may be furthered. Specifically, training and experience (section 5.2.1) and transferred staff (section 5.2.2) are codes identified as worthy of discussion.

This approach continues for structural capital (section 5.3) where the codes and themes, age and pace of the organisation (section 5.3.1), motivation (section 5.3.2), performance management (section 5.3.3) and innovation (section 5.3.4) are evaluated. Particular attention is paid to the innovation code and several elements that are needed for innovation are argued. Relational capital (section 5.4) is then discussed and particular attention is paid to the stakeholder code (section 5.4.1). Through this chapter the research will now reflect upon the gaps identified within the literature review that pertain to the academic aim and questions, and will seek to place findings from the data collected during the research, back into that literature. Findings will be evaluated in relation to the identified gaps and arguments put forward in relation to the contribution to existing knowledge and practice as appropriate. The chapter concludes (section 5.5) with a summary of what was discovered pertinent to intellectual capital within the organisation and through the production of a table highlights areas where this research has identified contributions to method, knowledge and practice and how these, where relevant, link back to the extant literature. Finally, signposts are given for the contents of chapter six.

5.1 The Conceptual Framework - Discussion of the findings with reference to the literature

As previously stated the organisation does not formally advocate an intellectual capital approach to its strategic management, although a reference to managing organisational performance through a balanced scorecard approach (see section 2.2.8) was identified in its strategy document. Despite this lack of formal recognition of intellectual capital by the organisation's senior management, examples of intellectual capital in use were identified by those who undertook both the questionnaire (see table 23) and the interviews. This suggests that both demographic groups (staff and management) within the organisation recognise at least some of the elements that are included in an intellectual capital approach. In section 5.4.2 there is discussion around a performance management framework that is being developed by the organisation and could possibly be regarded as an attempt at an intellectual capital framework, albeit that not all the elements or all of the intellectual capital constructs are taken into account. This research specifically developed the questionnaire, the interviews and undertook the resulting analysis ordered by intellectual capital construct, that is attempted to group all of the questions relevant to their construct. This approach was undertaken for ease of analysis and presentation of results. Kong and Ramia (2010) are however, keen to highlight that the three constructs are synergetic and state the best value can be gained from intellectual capital only when human, structural capital and relational capital are combined.

In accord with the above, some difficulty was found in grouping the elements of the intellectual capital constructs discretely as the research found that a number of them could have been placed in more than one construct. For example, the NVivo node performance management could have applied equally to the human capital construct or to the structural capital construct. Ramirez (2010) concurs with this and posits that due to the complexity of intellectual capital there is no distinct relationship between categories and indicators. This means that several indicators may overlap categories, and suggests that further research and definition would be useful. Grouped by the amount of elements identified in this research, it was found that structural capital had the greatest number, followed by human capital and relational capital respectively. This thesis would not wish to imply any degree of importance simply associated with the number of elements noted. However Secundo et al. (2010) suggest that intellectual capital creates value only when the structural capital elements allow knowledge creation and use. Kong (2010b) also states that structural capital is important as it

amplifies values from the human capital and relational capital elements and thus multiplies the overall intellectual capital effect. As such section 5.4.3 discusses these overlaps in relation to the code innovation.

It is encouraging to note the importance of overlaps appears to be supported within the organisation as interviewee I8 opined that staff are visiting other organisations in order to look for more efficient systems and processes and states that “*We’ve visited places like Toyota, looked at Kaisen and we want to make our people aware of that ‘lets make a difference every day’. We need to inculcate that.*” Additionally, this research has demonstrated that nodes within one construct can have an effect on nodes across the other constructs. An example of this (which will be addressed more fully in the section on the human capital research aim, section 5.2) is the node, transferred staff. Analysis suggests that staff that transferred to the organisation, and which was coded to human capital do influence other codes in structural capital (culture, strategy and continuous improvement) and relational capital as the negative issues influence the actual provision of service to stakeholders. The scope of this research does not allow further definition of intellectual capital elements but it does acknowledge Ramirez’s (2010) assertion that it can be difficult to classify certain intellectual capital elements according to intellectual capital construct, where that element may seem suitable across more than one. However, this research does concur with Kong and Ramia (2010) when they state that the intellectual capital constructs may be thought of as synergistic and an example of this was discovered through the analysis of the transferred staff code which suggested influence across all three intellectual capital constructs. In the sections below, the constituent parts of the conceptual framework used in this research are discussed.

5.1.1 Sveiby’s intangible assets monitor in this research

As stated in chapter two, section 2.7, the intangible assets monitor model required adaption (see table 12) for this research as Sveiby’s (1997) original model was developed for profit making firms as opposed to this organisation’s not-for-profit status. This does accord with Sveiby’s (1997) assertion that the model should be used contextually depending upon the organisation’s strategy and sector along with the assertion that managers do not need to utilise all of the indicators, only those deemed to be important and relevant to the organisation. Therefore, in this research many of the indicators utilised within the intangible

assets monitor framework were developed by this research to be specific to the organisation's sector of operations, discovery and mapping of which was undertaken in section 2.6.

Section 2.3 in chapter two demonstrates how the intellectual capital elements utilised in the data collection exercise were developed. Here work was undertaken to ensure that the performance elements identified as pertinent to housing associations within Wales by the Welsh Economy Research Unit (2008) were identified as in use within the organisation (see table 4). Further analysis was undertaken in order to map these to the various service areas operating within the organisation which led to the development of table 10. This demonstrated the organisation's service areas mapped to Kong's (2010b) intellectual capital constructs and to table 12 which demonstrates the intangible assets monitor model adapted to include the firm's performance measures. This was further developed through the research to finally become its conceptual framework which may be seen in table 12 in chapter four, and which provided the basis for the development of the data gathering instruments.

This model was initially chosen because the framework was developed upon three conceptual proposals, which Bontis (2001) refers to as three families of intangible assets, that is external structure, internal structure and individual competence. This provided a consistent approach with Kong's (2010b) constructs and concurs with Sveiby (1997) who promotes a contextual approach. Additionally, as minimal research or empirical evidence could be called upon with reference to intellectual capital within social enterprises, this research benefited from adopting a contextual approach. The resulting elements, developed as part of the conceptual framework added to the benefit of using the intangible assets monitor model in future research against social enterprises and not-for-profits. As can be seen from figure 13 the questions within the case study were then developed in order to gather data relevant to Sveiby's competence, internal and external classifications. The links between Sveiby's classification, case study questions and resulting data are diagrammatically represented in figure 19, figure 20 and figure 21 as below.

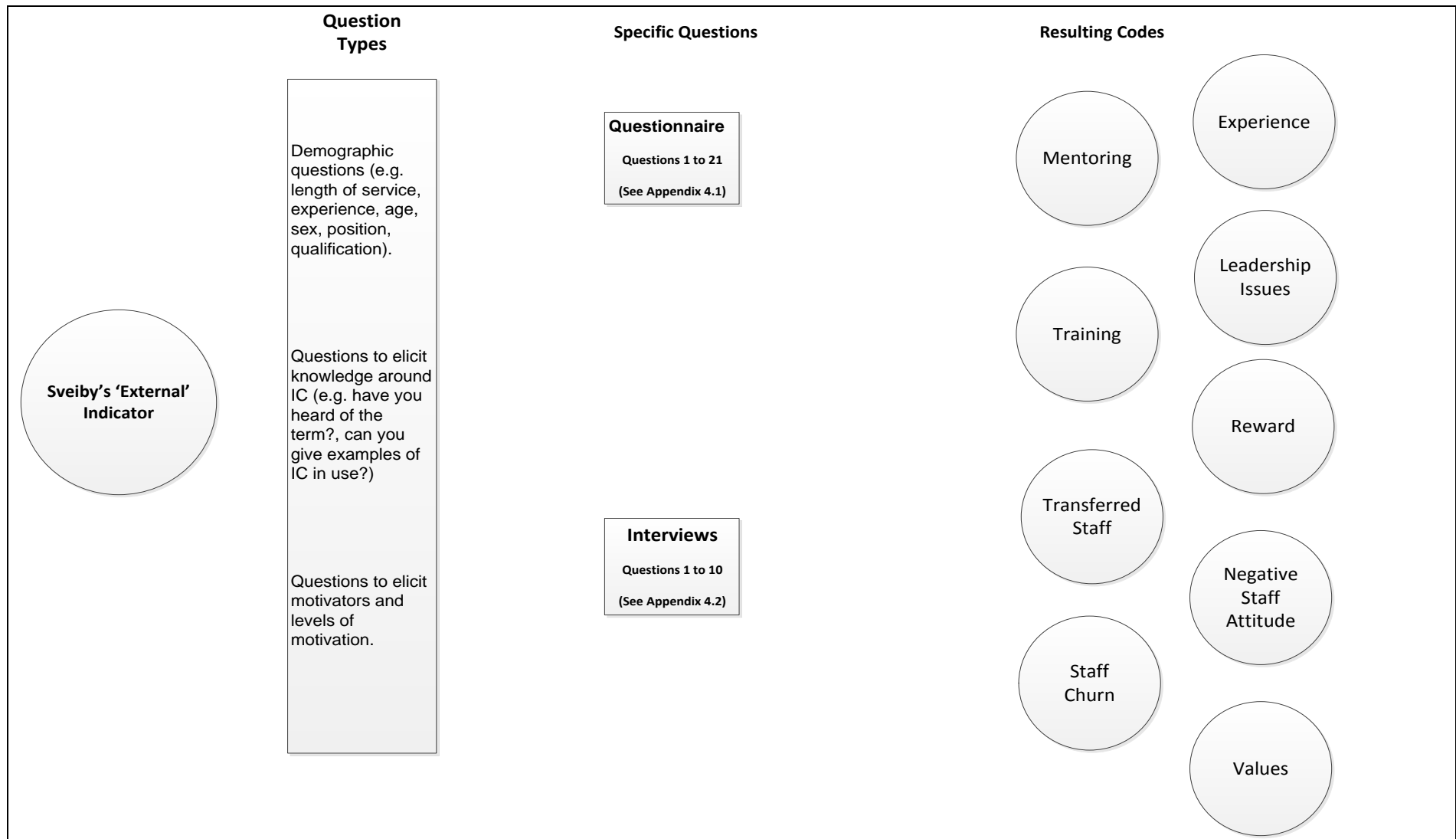


Figure 19 – Sveiby's competence indicator and resulting codes

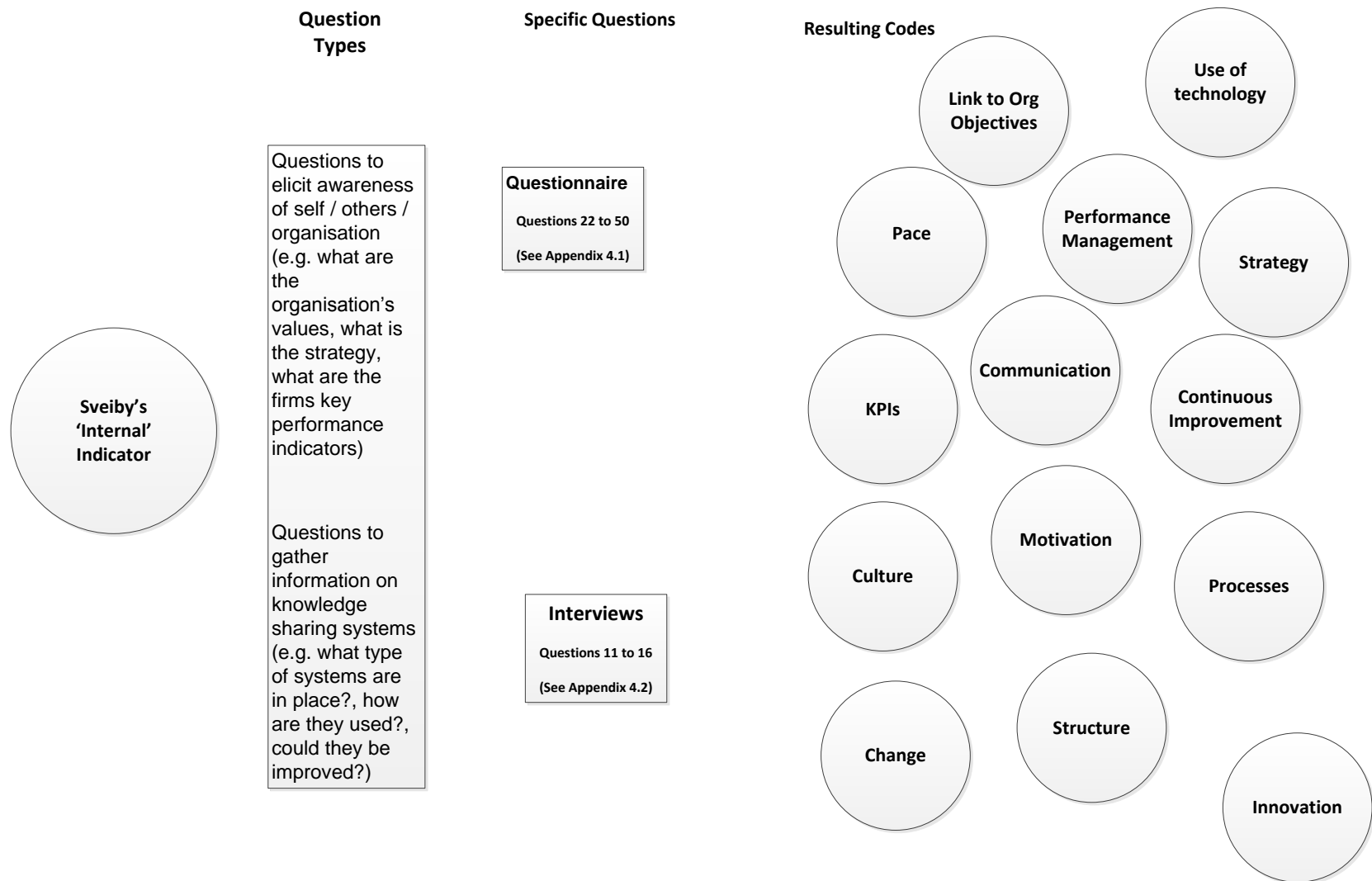


Figure 20 – Sveiby's internal indicator and resulting codes

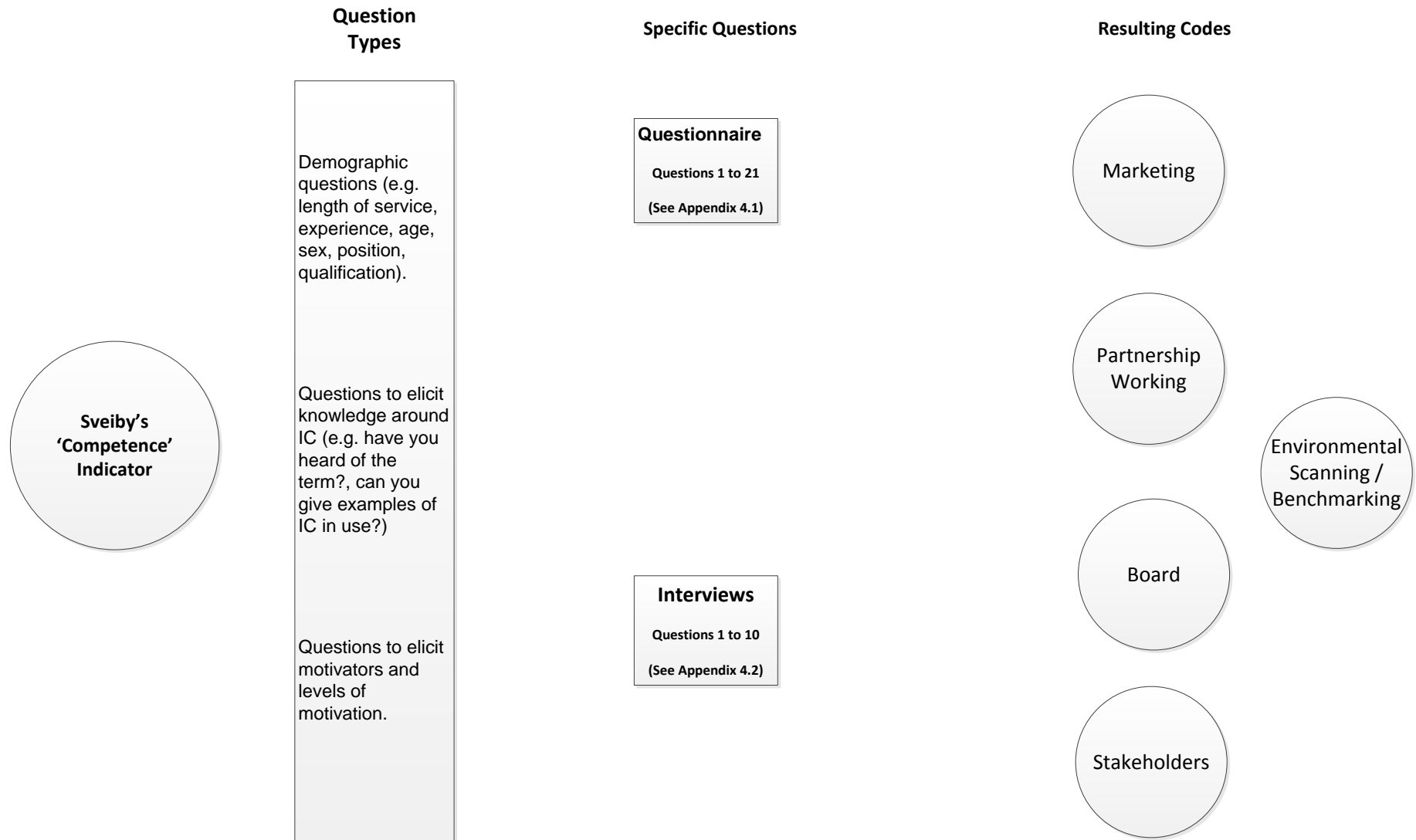


Figure 21 – Sveiby’s external indicator and resulting codes

The above figures demonstrate how those indicators used by Sveiby's (1997) intangible assets monitor model were used in this research as part of the conceptual framework and practically how they influenced the development of the research instruments which were used to test for evidence of intellectual capital within a social enterprise context. Sveiby (1997) suggests that the intangible assets monitor model should not be greater than one page and should be accompanied by appropriate comments. In deference to this suggestion, the model adapted for this research was limited to elements that would elicit responses for the most important intangible assets as per Sveiby's (1997) examples and indeed some of these were altered to reflect the not-for-profit nature of a social enterprise such as this. Specifically, the following intangible assets monitor elements were adapted or altered for use in this research and these can be seen in figure 25. Here it can be seen that for the purpose of this research more indicators were utilised in the adapted model that offered in Sveiby's example. Moreover, the number of elements per indicator varied from Sveiby's example but it must be noted that the number of elements did not equate in any form to the importance of the particular area being analysed. Additionally, it should be noted that these elements themselves went on to be developed into questions and it did not follow that one element meant one question. Rather in a number of circumstances, one element resulted in many questions related to that subject. It must be further noted that of the codes identified in figure 19, figure 20 and figure 21 some of these were not identified through a concerted analysis of specific questions. These were identified from themes discovered in the data during analysis.

The most obvious adaption to the model, effected due to the change of focus from profit to not-for-profit organisations relate to a shift in focus from commercial elements. Thus market share shifts to a social focus such as partnership working. Investment in technology shifts focus to the less finance focused element which analyses the use of technology. In keeping with the assertion that social enterprises have to make even greater use of the skills of their staff, the competence indicator elements that were actually used demonstrate a greater focus on the skills, experience and ability to retain staff than those used in purely commercial enterprises. Additionally, more internal indicators elements were analysed in this research. This reflects the literature's assertion that these internal indicators, or in Kong's (2010b) lexicon, structural capital elements amplify the benefits attained by the other indicators, thus leading to, through more focused strategy, a more flexible approach to change, a motivated workforce with appropriate performance management, and increased competitive advantage through a more efficient approach to service delivery.

To summarise, Sveiby's intangible assets monitor model proved a useful component of the conceptual framework used in this research and it should be further noted that this study utilised it in a novel manner. Traditionally, this model is used to provide a numeric measurement of intellectual capital activities identified in for profit organisations whereas here it was adapted for not-for-profits and adapted to gather rich qualitative data rather than the usual quantitative numeric results. Additionally, this research made use of a range of Sveiby's (1997) proposed intellectual capital elements. Albeit with them sympathetically adapted from a for profit focus to one relevant to this organisation's not-for-profit status. Further, this research argues that the actual intangible elements utilised in this research as per the above figure, provide a useful and novel list of intellectual capital elements that could be utilised and further developed in future intellectual capital research featuring organisations in the social enterprise sector.

5.1.2 Kong's Constructs in this research

The conceptual framework made use of Kong's (2010b) constructs and Sveiby's (1997) complementary intangible assets monitor model. Kong's constructs are contemporary and also are concepts developed and to a lesser degree empirically tested in a social enterprise context. However, Sveiby's (1997) intangible assets monitor model was developed and has been used empirically in a more commercial arena. Additionally, whilst the intangible assets monitor model was developed in order to measure and report upon organisational intellectual capital, the intellectual capital constructs proposed by Kong (2010b) build conceptually on those offered by the intangible assets monitor model. This research accepted that Sveiby's (1997) competence, internal and external indicators may be equated to Kong's human capital, structural capital and relational capital constructs respectively.

Figure 8 in chapter four, section 4.3 represents how Kong's (2010b) constructs contributed to this research's conceptual framework and how they complemented Sveiby's (1997) intangible assets monitor model. The grounding of Kong's constructs within a social enterprise context signposted what types of questions and the specific questions that would be useful in order to surface specific social enterprise related intellectual capital elements. Some elements proposed by Kong mirrored those within Sveiby's intangible assets monitor model and this was taken as positive confirmation that those elements were useful to this research. Specifically, the intellectual capital elements of innovation, change, stakeholders, culture,

external publications and strategy, Kong (2010b), were added to the conceptual framework in deference to Kong's argument.

This research argues that the conceptual nature of Kong's (2010b) constructs gave scope for the identification of intellectual capital elements specific to social enterprises and therefore use within this research. Further it argues that the intellectual capital conceptual framework for innovation processes in social enterprises proved useful for identifying codes and themes as found by this research. By empirically analysing this data in relation to Kong's identified construct overlaps the research asserts innovation may occur. This accords with Kong's call for further research into empirical testing (Kong, 2010b). The efficacy of the model has been further justified and specifically the codes discovered relevant to innovation in this research are proposed as a useful platform for further social enterprise intellectual capital research (see figure 22).

Therefore through the conceptual framework developed by and utilised in this research it is argued that its constituent parts, that is Sveiby's (1997) intangible assets monitor model and Kong's (2010b) intellectual capital constructs were proved useful and complementary. It is argued that this allowed the research to surface useful codes and themes that provided evidence (see figures 19 to 21) of intellectual capital activity across the intellectual capital constructs within the organisation. This highlighted areas worthy of further attention which led to the development of a diagram displaying those codes of interest (not all codes discovered in the data) and their links and interdependencies (see figure 22 below) and which form the discussion points for the rest of this chapter. Additionally, it is posited that the conceptual framework developed during this research, along with the identified intellectual capital elements, provides a useful model capable of being used for future intellectual capital research within the social enterprise sector.

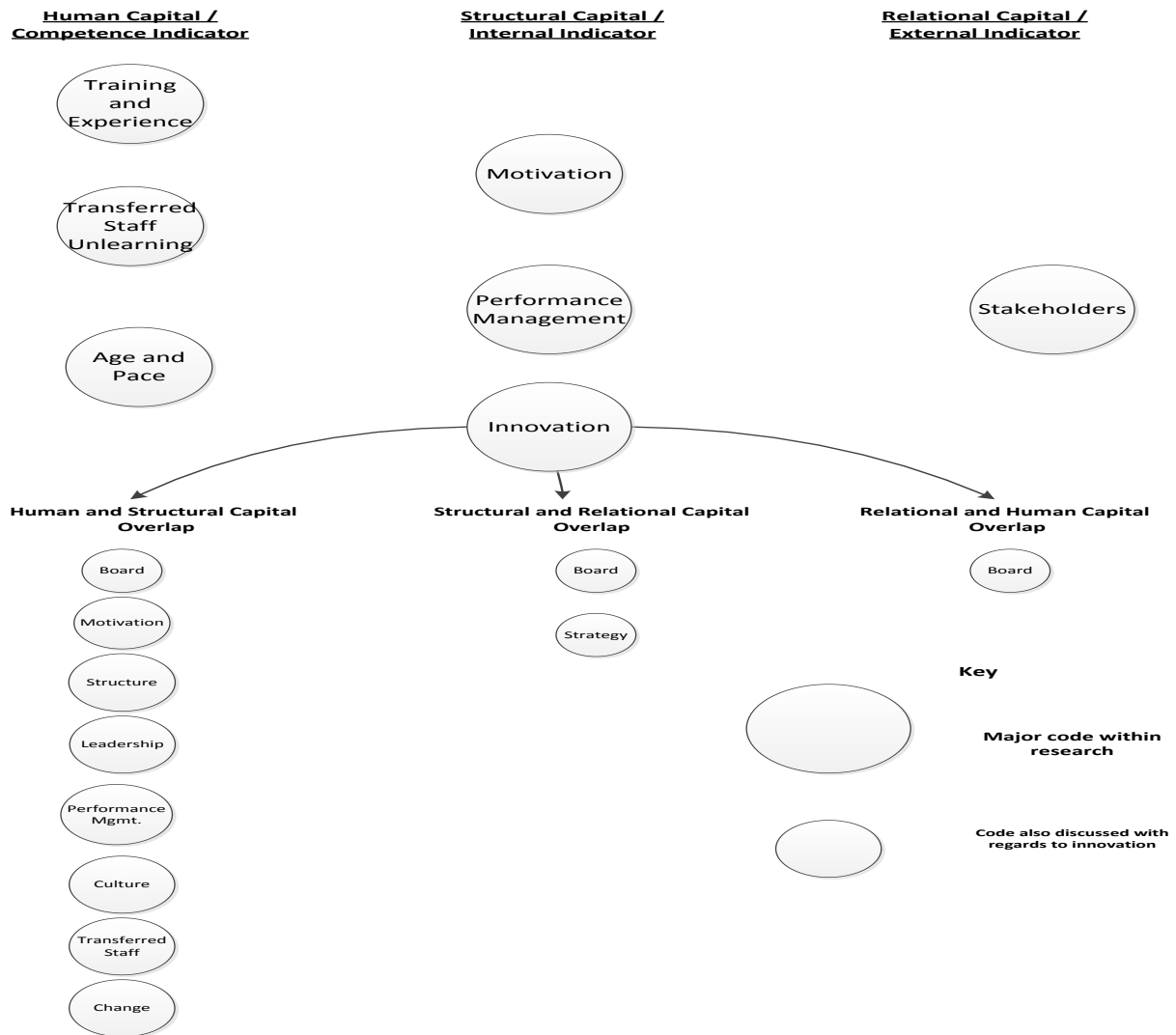


Figure 22 – Codes discovered from data and discussed in this chapter

5.2 Human Capital – With reference to the Literature

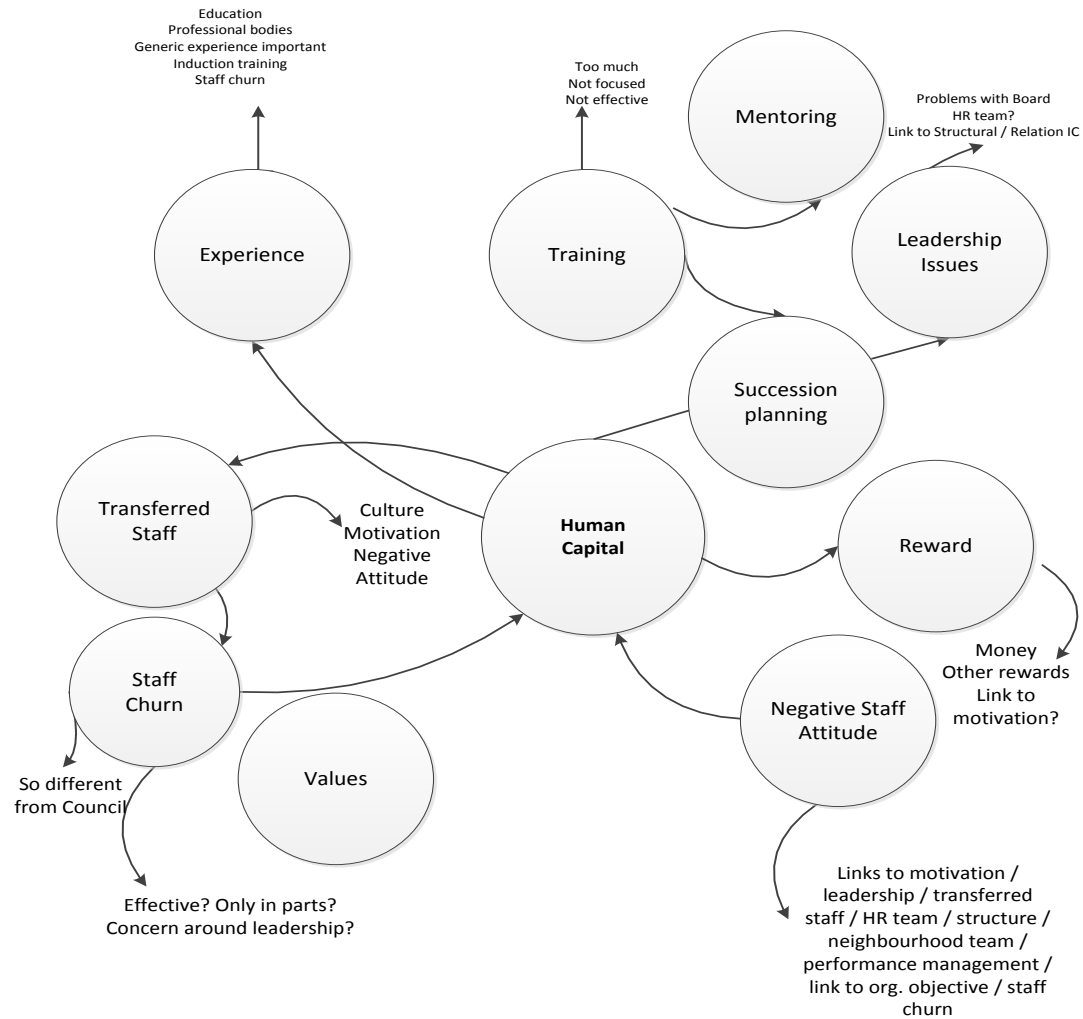


Figure 23 – Human capital: A journey through the data

This section deals with analysis conducted for the first research question which was entitled ‘To what extent is the organisation employing the intellectual capital construct of human capital?’ As can be seen from the figure 23 a number of human capital codes and themes were identified by the research. Kong (2010b) determined that human capital (section 1.3.1) was likely to be made up of human resource elements such as attitude, competence, experience, skills and innovativeness of individuals. These elements appear to be amply represented here and the discovered codes of training and experience directly support Kong’s definition. Whilst the other codes identified are also congruent with the intellectual capital elements suggested by Kong (2010b) and Sveiby (1997) a number of themes also emerged which this research would argue are contextual to this organisation. Specifically transferred staff, negative staff attitude and leadership issues were themes that surfaced from the data and were mainly perceived as negative by the respondents of both the questionnaires and interviews. The remainder of this section looks back to the extant literature discussed in chapter two and in light of the analysis of the data seeks to fill gaps in that literature and propose contributions to that theory and where appropriate organisational practice.

5.2.1 Training and Experience

It was noted as positive in chapter four that over 50% of staff held either a Bachelor or Master’s degree (table 34). This accords with Benevene and Cortini’s (2010) assertion that human capital within organisations may be increased by attracting employees with high skills levels. The importance of this being that it is only employees within organisations that create knowledge and thus human capital. The importance of this to this organisation is further amplified by their statement regarding human capital within not-for-profits or in this case social enterprises where they posit the human resources in not-for-profit organisations as the most important internal resources. Along with the importance of attracting educated staff Benevene and Cortini (2010) posit that not-for-profits value direct experience and knowledge gained from field experiences very highly when recruiting staff and promoting senior managers. Table 33 in chapter four displays that in the organisation the average number of years’ experience within the sector is eight but a number of interviewees provided a dichotomous response to that of Benevene and Cortini with regard to experience. Respondent I5 offered up thoughts on experience:

“At the start I would have rated housing knowledge as the most important but now we’ve been going through this improvement drive for the last couple of years I think that it is secondary to knowledge related to business improvement.”

In support of the above, interviewee I8 was keen to state that role specific rather than sector experience was important:

“They need market skills. They need to be aware of what is happening in Welsh Government, in the private sector to keep abreast of regulatory issues and the impact of things like solar panels and health and safety.”

A balanced response was given by respondent I6 a manager with a specific technical, sector remit which states the importance of sector specific experience:

“So typically, my teams are the specialist teams that add value because they can give more in-depth responses to resident queries and therefore better support.”

The respondent does however, go on to state the benefits of a mix of experience:

“I’ve got a good mix. I’ve got people who worked in the council and then here for many years so they understand the local area. Against new people with new experience who have brought new ideas and new ways of doing things. It’s a good mix. A balance. Across all of my teams.”

It is of note that this analysis did not support Benevene and Cortini’s (2010) suggestion that not-for-profits would rather employees have experience gained from within that field, but rather this organisation’s management demographic identify role rather than sector experience as important and posited a balance of new staff with fresh ideas alongside experienced existing staff as a preferred team composition. Mesa (2010) states that training is an important component of human capital and this accords well with Benevene and Cortini’s (2010) assertion that supplementary to attracting and retaining highly educated staff it is possible for an organisation to increase human capital by internally developing the skills of their current staff.

Training within the organisation was a recurring theme in chapter four (see section 4.2). In fact the training node is one of the most frequently coded nodes and all data sources made reference to training. Kong and Ramia (2010) state that intellectual capital aids individual learning. However they go on to caution against allocating too many funds to training which may skew intellectual capital as a whole. Table 37 displays a high percentage of departmental and organisational training although it is of some concern that there is a perceived lack of professional training and this does support Mesa’s (2010) position that training can

sometimes be seen more for updating specific skills rather than for overall employee development. Mesa (2010) goes on to state that generally not-for-profits don't develop training themselves. Rather employees are sent to training courses developed by third parties. Mesa states that this may have a negative impact as employees are not 'reached' by the training and goes on to suggest that not-for-profits in general do not appear to fully appreciate the requirements of professional training interventions.

This research appears to support this statement. The following respondents, Q18, Q20, Q22, Q23, Q34 and Q35 commented that the training was not relevant, there was too much of it and respondent Q22 went as far to suggest that they had received some really ineffective training in the last couple of years. In support of these organisational comments respondent I8 makes the following assertions:

"It's about phasing and timing. Some of these training exercises have been planned so far ahead, very much in advance, and this causes some problems. There appears to be a compulsion, and quite right if you are paying for training, you should go on it, but it is very difficult to say to someone in 6 months' time, on this date and time you will be on this training course. You don't know what may be imperative at that time. People feel the pressure of having to comply with this training and I'm sure it could be compressed, more focused. I and my team are grateful for the training but... I was put down for refresher training with asbestos. There is no need for me to attend this in the role that I do, but things go out in a blanket fashion. They need to be more considered, more selective to the audience."

These appear to add weight to Benevene and Cortini's (2010, pg. 132) suggestion that:

"...it seems as though there is no clear distinction between organizational and individual training needs and, no awareness about the relevance of shaping and scheduling training programmes."

Theoretically the analysis would support this above assertion and makes a link to Mesa's assertion that there is indeed a dichotomy between organisational training and undertaking professional development for individuals and appears to add weight to the difficulty that not-for-profits in particular find whilst attempting to undertake organisational training. Therefore this analysis would argue that a practical consideration unearthed by the analysis indicates that this organisation undertakes too much training and that practically it would be beneficial to make that training more specific and targeted to needs.

5.2.2 Transferred Staff – A case for unlearning?

Much of the intellectual capital literature aligns intellectual capital with the concept of creating knowledge. Kong (2010b) however, purports that when new knowledge is created, some existing knowledge may become outdated. Kong cites Martin de Holan and Phillips (2004) who suggests that managers need to be capable of creating new knowledge in addition to forgetting unwanted knowledge and posits that managing outdated knowledge is costly. Kong (2010b) refers to this process as the intentional reduction of knowledge and gives examples such as throwing out old user manuals. Kong and Prior (2008) state a benefit of divesting outdated knowledge as facilitating decision-making processes for managers. This principle of knowledge regeneration and continuous improvement is taken up by Sillanpaa et al. (2010) who suggest that for intellectual capital per se. to add value to the organisation it needs to be managed. Andriessen (2004) identify that this form of intellectual capital management can take the form of working towards the business' strategy. Against this backdrop Kong (2010b) outlines the importance of an intellectual capital framework for social enterprises in order to constantly improve by challenging their status quo. Kong (2010) states the need to remove outdated knowledge whilst planning to acquire new knowledge which will improve innovation processes.

This research discovered a theme which was coded in chapter four as transferred staff (see section 4.2). This theme refers to a group of staff within the organisation who transferred to it en masse at the time the organisation was set up, from the local authority. It was noted that there appears to be a schism between staff new to the organisation and those that transferred over from the local authority. By running an NVivo matrix coding query there was evidenced to be a number of intersections between the transferred staff node and one entitled negative staff attitude and a suggestion that this led to issues with organisational performance. Respondent I3 suggests how historic working practices may have influenced the current position:

“If people still have ties to those old methods you will see examples of it. It’s like a power struggle really, and whilst the council was bad at dealing with capability issues, it just didn’t happen, they were allowed to carry on with poor performance, so, the way this organisation deals with things from an employment point of view has been a stark clash for those who transferred...”

This suggests that performance is hampered by some staff, to a degree because old working methods have not been dropped, or in this context unlearned. These possible negative effects were linked with a number of nodes within structural capital, particularly culture. Respondent I5 posited:

“Look there is a difference between the staff that transferred and the staff that arrived. Now, I believe that the council, pre-transfer had better housing staff than most local authorities and they were motivated for transfer. But their motivation for a continuously improving organisation is a completely different issue. In their minds they were already doing a good job and perhaps only needed some small changes. The way those changes have been communicated has caused problems and I think there are now cultural problems or behavioural issues because of it.”

The interesting point here is the suggestion that the staff are perfectly capable within their roles and that perceived negativity may be attributable to how they have been communicated to and treated by the organisation. This has led to them retaining old knowledge and working processes that the new organisation would prefer them to unlearn. The ability for transferred staff to embrace the strategy of the organisation is highlighted by respondent I8 as *“That strategic level and view makes it very difficult for transferring staff to understand the new strategic view where residents are at the heart of everything.”* This point, made above by respondent I5 that questions the ability of transferred staff to accept the need for continuous improvement is resonant with Kong’s (2010) assertion that social enterprises need to be able to deal with weaknesses in their innovation processes.

Therefore, this analysis recognises the importance of the concept of unlearning and posits that through this research the concept has empirically identified links between unlearning and the intellectual capital elements of performance, innovation and continuous improvement being proposed. Practically, this research suggests that the organisation needs to intervene in order to counter the negative culture that has been identified from the analysis and which has an influence across all of the intellectual capital constructs.

5.3 Structural Capital - With reference to the literature

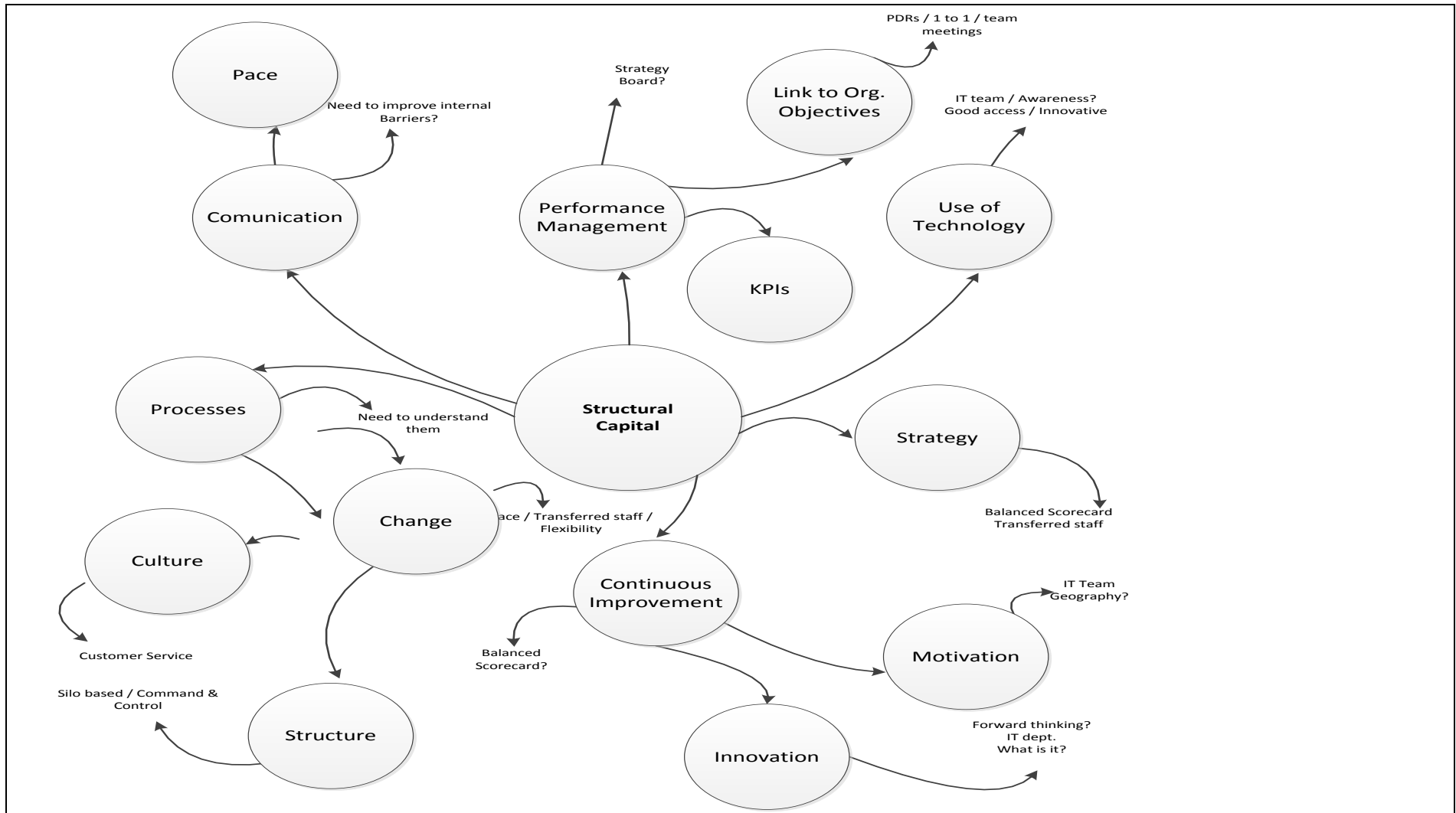


Figure 24 – Structural capital: A journey through the data

This section deals with analysis centred around the second research aim which was entitled ‘To what extent is the organisation employing the intellectual capital construct of structural capital?’ As can be seen from the figure 24, a number of structural capital codes and themes were identified by the research. Kong (2010b) defines structural capital as pertaining to databases, process manuals, strategies, routines, organizational culture and it was defined in section 1.3.2.

These elements appear to be amply represented here and the identified codes of process, culture and strategy directly support Kong’s definition. Whilst the other codes identified are also congruent with the intellectual capital elements suggested by Sveiby and Kong a number of themes also emerged which this research would argue are contextual to this organisation. Specifically pace, performance management and innovation were themes that surfaced from the data from both respondents of the questionnaires and interviews.

5.3.1 Age and Pace of Organisation

At this point it must be reiterated that the organisation within this research was just three years of age when the research was conducted, and its development and maturity relating to intellectual capital is likely to be subject to the following assertion made by Kong and Ramia (2010). They posit that an organisation’s history, made up of managers, structures, objectives and processes aids the use of collective knowledge which is embedded into the personnel of an organisation. This assertion offers an explanation to the development of intellectual capital in relation to the age of the organisation and is supported by Kong and Ramia’s (2010) assertion that intellectual capital is context specific. Further support to this position is given by West and Noel (2009). They argue that an organisation’s performance is based around market knowledge and its abilities to take advantage of that knowledge.

The above statements go some way to explaining how the age of this organisation has led to issues with pace as the organisation and its management actively attempt to increase maturity and the positive intellectual capital entities associated with said maturity, such as innovation, motivation etc. Pace was a code (see section 4.3) identified through the research as having a connection to another code, communication and indeed was a theme connected to transferred staff and change all of which in this research were regarded as generally negative within the organisation. Respondent I2 identified additional concerns around pace and a link to staff churn, which appears to be high for this organisation:

“The turnover that I’m aware of is because the people weren’t ready for this kind of pace and the kind of organisation we want to become. I think we are so different from the council.”

Respondent I6 links pace to issues with understanding organisational processes:

“The reason we’ve held back on our housing management system replacement has been because we don’t understand our processes. We need to sort them out before we automate them. Otherwise it would be a waste of time and money.”

The issue of pace links with communication and suggests the age and pace negatively affect effective communication. This is regarded as an important issue for an organisation as the maturity of its intellectual capital informs the strategic position of a social enterprise (Kong and Ramia, (2010). Accepting Kong and Ramia’s (2010) argument that the age and pace of an organisation is important, its relevance to structural capital is further defined by their research as complementary rather than central. They highlight a dichotomy between practitioners and academics perception of structural capital. Kong and Ramia (2010) define an academic perspective, by quoting Mouritsen and Koleva (2004) who posit that for scholars, structural capital gives an organisation value by minimising costs and improving services in the pursuit of strategic advantage. This research would argue that its findings contradict those of Kong and Ramia and rather than structural capital being “complementary” to the overall use of intellectual capital within the organisation, rather it plays an important part and particularly where issues of contribution to practice are identified, a critical one. This argument is supported by the number of codes identified by the analysis (see figure 24) that are related to structural capital elements and by the comments and themes identified by the analysis such as links with structure, culture, attitude to change and a concept central to structural capital itself, process.

5.3.2 Motivation – Is trust a factor?

Reychav and Sharkie (2010) define discretionary extra-role behaviour as that outside the obligations of a formal employment contract. Further Reychav and Sharkie (2010) recognise that social enterprises have minimal ability to encourage motivation through additional payments and they acknowledge that intrinsic job motivation is provided by providing interesting and challenging work to employees. Aligned to this Reychav and Sharkie (2010) suggest that motivation may be affected by trust, and posit four measures that may influence trust within a not-for-profit organisation. These are reward expectations, management values,

psychological support and trust in management and they state their research found a positive correlation between these measures and levels of employee extra-role behaviour. This research highlighted in chapter four, that whilst motivation is an intangible within the organisation its links to culture, change and continuous improvement have become visible themes within the data, and it is acknowledged that positive motivation could affect improved organisation performance. Figure 25 below is adapted from Reychav and Sharkie's (2010) perceptions of trust model and is included to demonstrate the elements that constitute employee trust. Reward, management values and trust in management are recurring themes within the data.

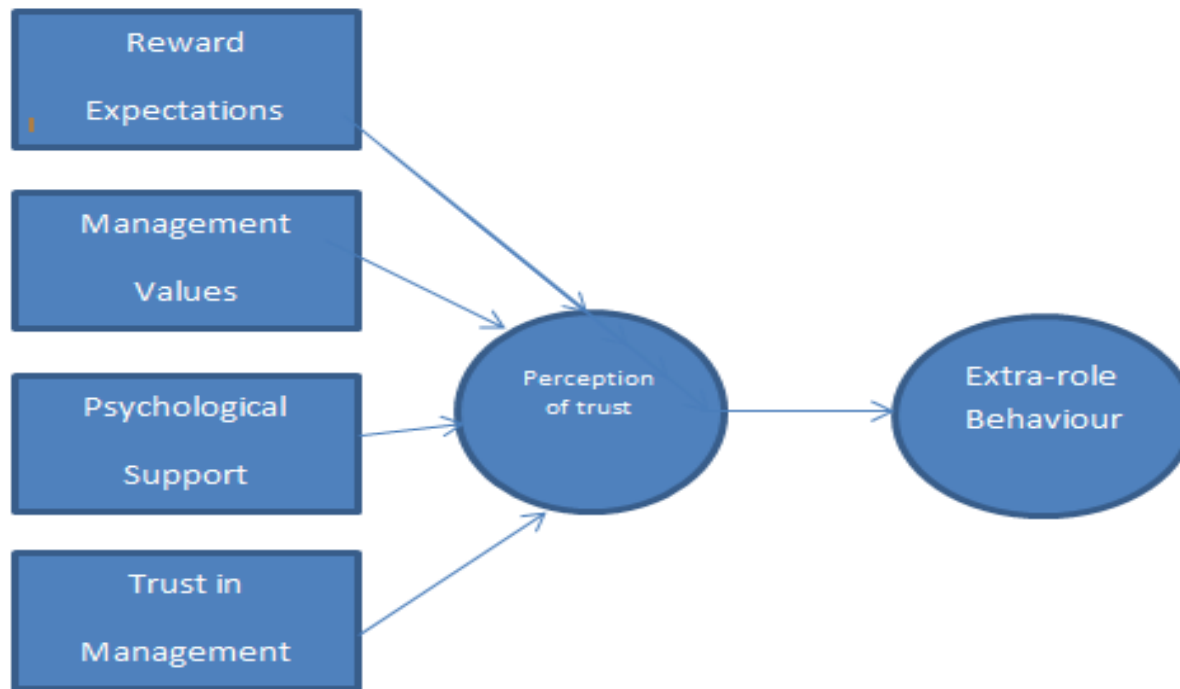


Figure 25 – Perception of trust model (Adapted from Reychav and Sharkie (2010))



Figure 26 - Perception of trust model with motivators (Adapted from Reychar and Sharkie (2010))

Table 54 in chapter four displays what staff within the organisation believe are personal motivators for them and in figure 26 are linked to these measures. By making these links this research asserts that it has contributed to the development of Reychav and Sharkie's model and has highlighted those intellectual capital elements which are important factors that need to be in place to increase trust and lead to increased motivation.

With reference to reward expectations Reychav and Sharkie (2010) highlight pay and development as important measures. Respondent I3 stated that whilst pay was important money is not their personal motivation and respondent I8 saw good working conditions as a reward. Reychav and Sharkie (2010) posit that a value driven vision aligns leader and employee actions towards shared goals.

Values appear in many of the data sources and the organisation strategy states that it wants to be a values driven, learning organisation and the questionnaire results demonstrate that 100% of respondents were aware of the organisation values. Although respondent I5 suggests they are embedded to different levels in parts of the organisation. The psychological support measures were addressed by a sense of making a difference which was were coded under innovation. Tables 56 and 57 demonstrate that generally staff believed the organisation was forward looking with good levels of innovation individually, departmentally and organisationally. Respondent Q22 however, takes a contrary view:

“The effective use of staff is governed to some extent by the leadership within that department. To say this varies across the organisation is somewhat of an understatement. It is evident which departments are led by someone who stifles innovation and free thinking, and those that encourage staff to think outside of the box and are allowed to express themselves.”

Here it is interesting to note that one measure of Reychav and Sharkie's model that is trust in management may have an effect on innovation which in this case is linked to their measure of psychological support. The measure of trust in management was coded as leadership in this research. Here Reychav and Sharkie (2010) make a link between employee trust and their perception of the character of the organisation's leaders. The findings for leadership within chapter four were not positive. Respondent I4 stated:

“Generally staff are demotivated and there is an issue with the board and their relationship with executive team which then affects relationships with the heads of service. Given some of the board’s recent decisions, I personally feel demotivated and then it’s hard to motivate the staff.”

Respondent I5 picks up this theme of the board having a negative influence upon staff morale and suggests:

“I think the board have a bad attitude that influences bad behaviours and its getting people down. I think we have some good people here, some bright people here and most people who work here want to do the right thing. They come to work and they want to do a good job. The leadership is learning and the level of leadership is varied at the moment.”

Whilst respondent I5 identifies concern with the organisation’s executive leadership attempts are made to explain that this itself is influenced by the board:

“I’m not blaming the chief executive it’s the board that won’t let him. Look, the board is very old fashioned to be honest. That’s where the command and control ultimately comes from. They selectively chose the operational areas they want to be involved in and that’s very frustrating. It’s a major blockage actually.”

Reychav and Sharkie (2010) tell us that their research highlights trust in management, or in this case leadership as one of the most influential factors upon trust and therefore motivation. Trust leadership is an important element that has potential influence across a wide range of other organisational measures. This research had identified that the leadership node has links to other codes across human, structural and relational capital and can be seen in figure 12 in chapter four. Table 55 in chapter four demonstrates that questionnaire respondents felt their department and the organisation was generally motivated. This is positive and in spite of the perceived issues with trust in management as highlighted above. Reychav and Sharkie’s (2010) research was undertaken using a quantitative method with the aim of understanding the factors which may motivate employees in social enterprises to extra-role behaviour.

Reychav and Sharkie (2010) advocated further research to investigate more not-for-profits with a view to gain acceptance of extra-role behaviour as part of the overall intellectual capital concept. Additionally, they propose that further research should take the form of interviews or case study methodology which would provide a richer understanding of trust and corresponding levels of motivation. This research asserts that the utilisation of a qualitative method has complemented Reychav and Sharkie’s research by allowing a richer

picture of trust and motivation to be analysed. Moreover, it asserts a contribution to knowledge through the identification of actual motivators as displayed in figure 26 and a contribution to practice for this organisation by identifying and discussing issues associated with the theme of leadership.

5.3.3 Performance Management: A macro view of intellectual capital?

Throughout the intellectual capital literature in chapter two a profusion of authors tell us that intellectual capital is an important tool that allows organisations to manage their intangible resources in a way that gives the organisation competitive advantage as discussed by Chen (2008) and Kong and Prior (2008). Sillanpaa et al. (2010) however, worryingly suggest that some organisations try to manage intellectual capital without utilising specific intellectual capital management models. Andriessen (2004) posits that more empirical evidence is required to demonstrate that intellectual capital models actually lead to improved organisational performance. Andriessen goes on to suggest that a major benefit of intellectual capital to an organisation is to improve internal management and suggests that measurements in support of this benefit may be undertaken by a balanced scorecard approach or by the use of the intangible assets monitor model both of which are considered in this research. Garcia (2001) discusses intellectual capital management in terms of the requirement to draw together all the intangible intellectual capital components into an easily understandable statement.

Sillanpaa et al. (2010) focused their research around the identification of intellectual capital resources, practices in managing intellectual capital and the need for management tools. They suggested further research should look at different not-for-profit sectors (theirs looked at elderly care organisations in Finland) and what intellectual capital management tools could be used. This research whilst recognising the need for an holistic approach to intellectual capital by utilising all the elements of each of the intellectual capital constructs did identify a number of themes and coded them as performance management (see chapter four, section 4.3). Its importance to the organisation is highlighted in the organisation's strategy document that states that a performance framework will equip the board with a comprehensive overview of the overall health of the organisation. As a further aspiration it is stated that a performance management framework will be used to deliver core corporate and value driven development activities, including leadership, customer service and management development to support culture change.

A number of management interventions could be identified from the theme performance management within this research (chapter four, section 4.4.2) and respondent I8 frames these as a tool box. One of the most referenced of these tools is the performance development review framework, known internally as the performance development review. This internal review mechanism has been designed to ensure that the organisation's strategic deliverables are allocated to departments and then individuals within those departments on an annual basis. With the mechanism designed for all staff members to have regular performance development reviews and one to one meetings with their managers to ensure that agreed performance is being maintained along with progress towards new initiatives. Respondent I2 highlights the following *“There's one to ones, monthly performance reviews, the performance development review itself, disciplinary procedure”* This is further espoused by respondent I4 who offers:

“Performance development reviews, one to ones, knowing your team, having a good relationship with the team, clear expectations, and the consequences of not achieving, leading by example, formal key performance indicators. Capability procedure is in place, a more formal route and I've used that. I'm not afraid to have the difficult conversations. One to ones, capability, team meetings, expectation of delivering. Support from human resources.”

Interviewee I7 suggests out how performance development review intervention works:

“Well we have regular meetings. It starts with performance development review. My director sets my objectives and I use these to set the objective of my team. So hopefully we are starting off from the same page. We have regular team meetings and regular one to ones.”

The ability to escalate identified problems within the process, or to highlight poor performance on the part of individuals and departments is discussed by interviewee I8:

“There is also the ability to escalate decisions up to one of the performance groups, or to cabinet. That's another sort of tool for making a difference.”

Sillanpaa et al. (2010) in their list of practices in managing intellectual capital identified both formal and informal methods. This research complements these as whilst it identifies interventions such as the performance development review process it also highlights informal interventions such as knowing your team, leading by example, human resource team support, the capability procedure and the expectation of delivering. These have intrinsic links back to the discussion in section 5.4.1 and is eloquently outlined by respondent I8 who states *“Willingness is very important. Willingness to go out and improve the service.”*

These informal and formal intellectual capital management techniques which are in addition to those identified by Sillanpaa et al. (2010) may be seen below in figure 27. A recurrent theme linked to performance management was the association to organisational objectives. This theme's importance, of ensuring that organisational resources are utilised most effectively in pursuance of strategic goals and respondent I8 describes the benefits of this approach as:

“I think that by being a member of the performance management group and a member of the Cabinet group I get to see what the objectives and the priorities of the organisation are. Yes, this really helps me to be clear about what I and my department need to do as our part in achieving the overall organisational objectives.”

This interestingly supports Sillanpaa et al.'s (2010) assertion that the main body of intellectual capital literature concerns resources and not the outputs or outcomes of operations. However, an emerging theme identified as related to performance management in the data was that of annual performance priorities tool. This is an in-house developed performance management tool designed to outline the services the organisation deliver and to state the indicators by which they will be measured and improved, thus incorporating outputs and outcomes alongside the resources needed to deliver them. Respondent I5 describes the performance tool thus:

“If you look at the APP, everything is meant to be embedded and people empowered. If a problem is identified then we are supposed to fix it. We can change it by a performance development review objective, someone instructed to change it, just decide to change it. We can go to the board and ask permission to change it. We can inform those decisions using many techniques.”

The above intellectual capital management method attempts to remove some of the intangibility around intellectual capital in use and is firmly linked to tangible outputs that can be reported upon, in the form of key performance indicators. Examples of key performance indicators used by the organisation along with their published targets may be seen below in table 66.

Key Performance Indicator	Current Target	Narrative
Net rent arrears	2.1%	Of rentable value of all properties
Average re-let time	36	In days
Turnover rate	9%	Of all tenancies
Void & bad debt loss	3.9%	Of rentable value of all properties
Emergency repairs	98%	Completed in target time
Urgent repairs	95%	Completed in target time
Non-urgent repairs	97%	Completed in target time
Gas Servicing Compliance	100%	All properties
Upgrades to properties	£23m	Per annum

Table 66 – Organisational key performance indicators

Figure 27 diagrammatically represents the overall method of intellectual capital management within the organisation. Analysis in this research does draw comparisons to the research of Sillanpaa et al. (2010). They assert that intellectual capital is already being managed in organisations using various managerial tools. This assertion is supported by this research and the formal and informal interventions highlighted in figure 27 demonstrate what is being used in this organisation and also extends the results of their managing intellectual capital in practice data. Additionally, the inclusion of informal interventions adds a novel dimension to the management of intellectual capital, although managing intangibles through tangible interventions may appear too complex. Sillanpaa et al. (2010)'s research also highlighted that development of intellectual capital management was required specifically around reporting of intellectual capital activities.

In light of this research it would appear that other not-for-profits are developing intellectual capital management tools that have as a fundamental to their approach, the ability to report on key performance indicators relevant to individual organisational areas, or services delivered. A point of concern however, in this research is that the organisation has developed such an intellectual capital management tool in-house which is dichotomous to the intention set out in the organisational strategy document. This document stated an aspiration to use a balanced scorecard approach to performance management, which implies the use of an existing, tried and tested model, such as Kaplan and Norton's (1992) balanced scorecard model, whereas this analysis has demonstrated that the organisation has developed a model in-house.

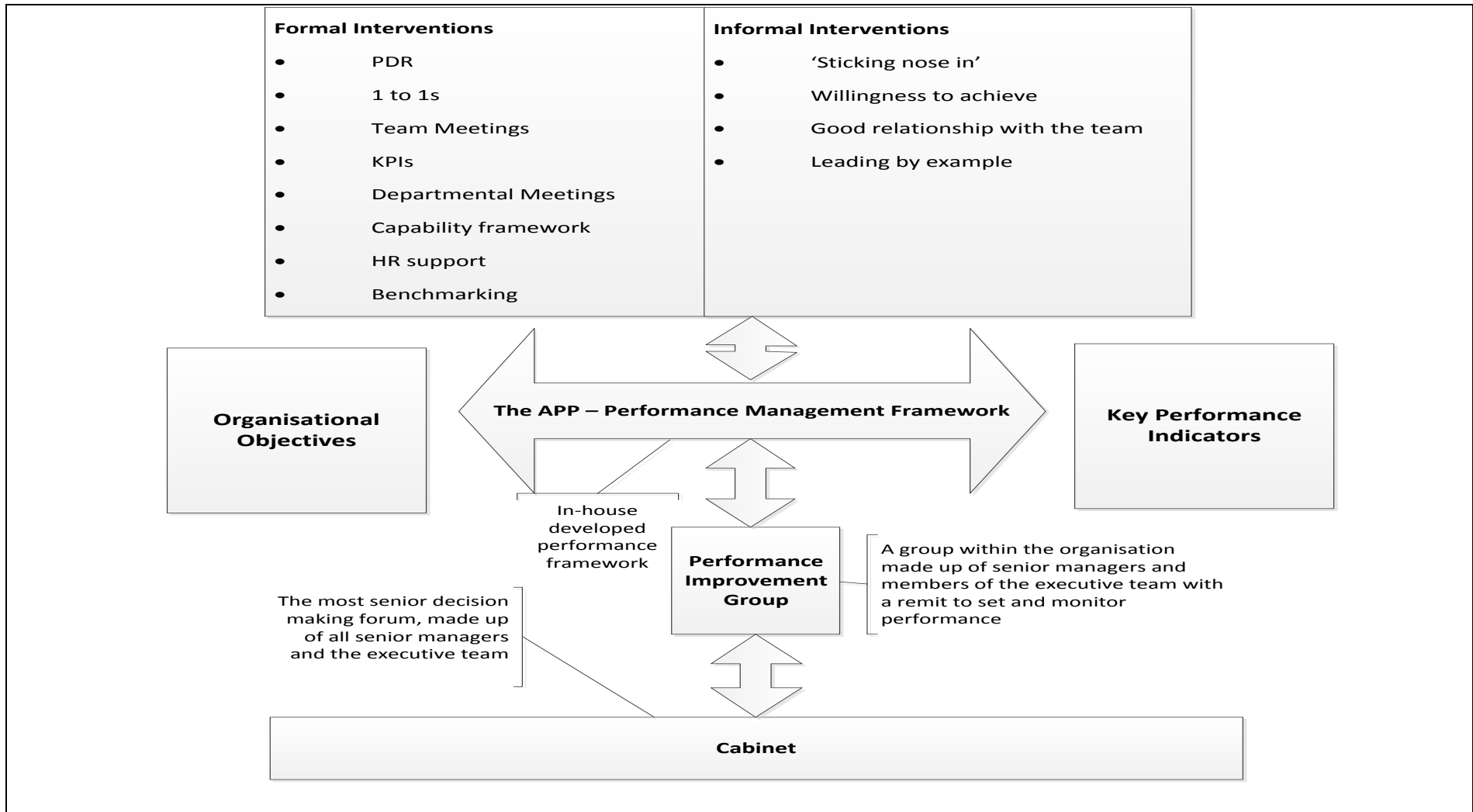


Figure 27 – Performance Management as a model

This research asserts that it has added to the theory advocated by Sillanpaa et al. (2010) generally by the fact that it was undertaken in a different part of the not-for-profit sector to that originally undertaken by them. It has added to theory specifically by extending their assertion of both formal and informal methods required to manage intellectual capital. This research argues the positive impact informal methods may have upon intellectual capital management and attempts to add to their theory by actually identifying informal intervention methods as displayed in figure 27. Additionally, Andriessen's (2004) assertion that intellectual capital could be managed by either a balanced scorecard or intangible assets monitor approach is particularly relevant to this research as its conceptual framework is based upon an adapted intangible assets monitor model. The performance management framework alluded to in the organisation's strategy document specifically states an intention to make use of a balanced scorecard method. This research supports their argument that the intangible assets monitor model, or more specifically in the context of this research, an adapted intangible assets monitor model is a credible way to manage intellectual capital within an organisation.

This research has also contributed to Sillanpaa et al.'s (2010) argument that the literature is mainly concerned with the resources of intellectual capital rather than outputs. It has identified that the organisation has developed and is in the processes of implementing its own performance management system, named in-house as the APP. It is this system that seeks to make the links between intellectual capital methods and interventions (formal and informal), the bodies within the organisation involved in the decision making around strategic intellectual capital, and the important aspect of outcomes. This can be seen in figure 27, which seeks to demonstrate the link between these interventions, decision making fora and the actual organisational outcomes. In this figure, termed key performance indicators, is the organisation's practical attempt to deliver on its strategic intention to give an overall picture of corporate health. As identified by the research this framework is in its infancy and it would be of some use in the future to re-visit this implementation in order to explore the practical impact it has had on the organisation.

5.3.4 Intellectual Capital– The Call for Innovation

As noted by the literature review in chapter two, section 2.2.4, the use of effective intellectual capital is often promoted as providing an organisation with competitive advantage. The need for competitive advantage for social enterprises and not-for-profit organisations is demonstrated by Edvinsson and Malone (1997), Youndt et al. (2004), Kong and Prior (2008), Mesa (2010) and Ramirez (2010). Kong's (2010b) study on innovation processes in social enterprises posits that social enterprises such as the organisation in this research must undertake their business through innovation or by improving the efficiency of their current operations. Kong (2010b) goes on to differentiate between for-profit and not-for-profit management techniques and posits that traditional profit maximising strategies may compromise the principles of social enterprises. Kong (2010b) goes on to argue that intellectual capital can assist not-for-profits through increased innovation and makes a link between high levels of organisational human capital and innovative ideas. Kong (2010b) further states that relational capital encompasses knowledge exchange and states an organisation is likely to provide improved services if it knows what its stakeholders really need. Kong (2010b) suggests that structural capital creates value for the organisation by underpinning innovative ideas with appropriate mechanisms and structures. In order to highlight how knowledge flows between the intellectual capital constructs Kong (2010b) proposes a conceptual framework to help social enterprise managers to visualise where best to concentrate their resources in order to seek innovation.

This conceptual framework is diagrammatically represented in the figure 28 and displays the areas where the constructs intersect and thus according to this concept, innovation processes occur.

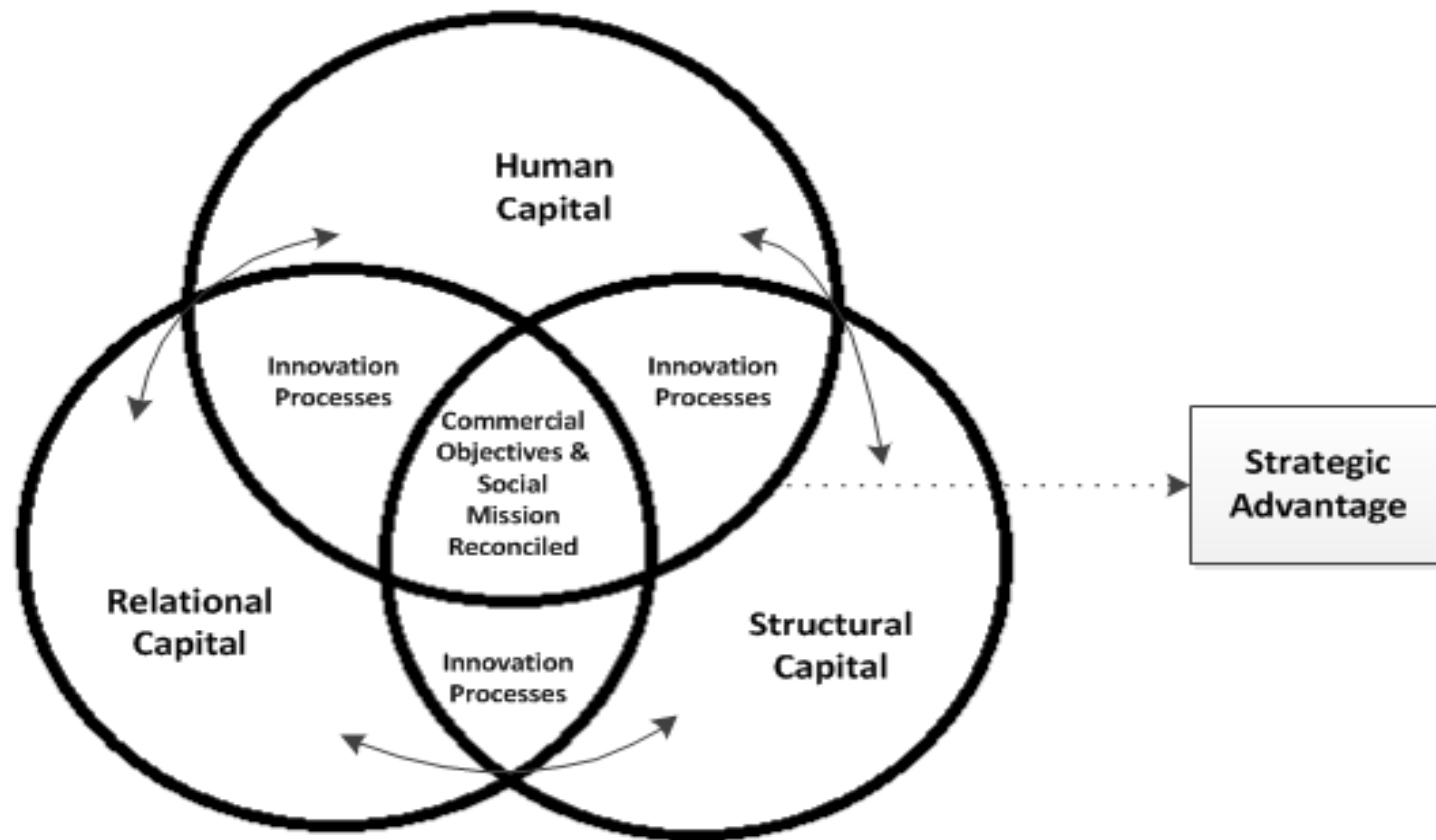


Figure 28 – Social Enterprise intellectual capital Conceptual Framework (Adapted from Kong (2010))

With reference to figure 28, Kong's (2010b, pg. 171) study notes that:

“...a conceptually meaningful and practically useful framework is critical in providing the needed guidance to social enterprises” and goes further by suggesting “The framework represents a significant addition to our understanding of intellectual capital and its components within the context of social enterprises.”

This research would agree that this concept helps engender understanding of the intellectual capital concept and would also suggest from the data analysed that innovation within the organisation is crucial to gaining competitive advantage. Indeed, Kong's (2010b) constructs have formed an important component of the conceptual model (see table 12) utilised in this research, however, as noted in section 5.2 of this chapter it was not always easy to decide in which of the intellectual capital constructs identified intellectual capital elements should be coded. This research contends that by extending the model to include the individual intellectual capital elements identified and proposing which element they should be coded to would enhance the conceptual framework. Further, elements that overlap the intellectual capital constructs, that is fall into the innovation processes, may be identified for future, more in depth research. The amended model which has been annotated with the codes assigned to each intellectual capital construct and those identified within the data as related to another intellectual capital construct may be seen in the figure 29.

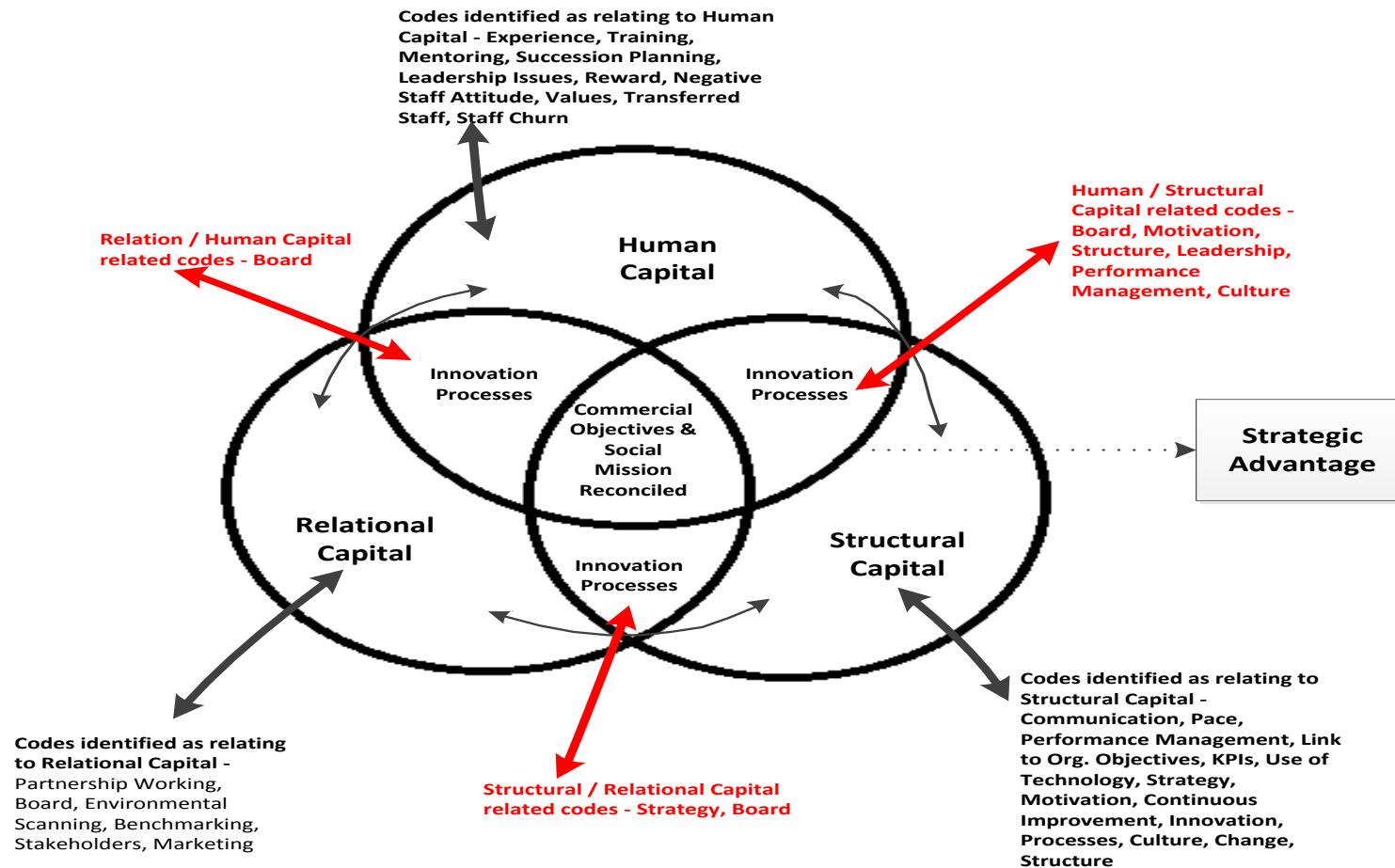


Figure 29 – Social Enterprise intellectual capital Conceptual Framework (Adapted from Kong, 2010b)

In this research the innovation code was utilised in the structural capital construct. It was heavily referenced by questionnaire and interview respondents and generally it was seen as a necessary if not critical phenomena within the organisation. Respondent I2 suggests that *“Different people have different impressions of innovation. From completely new to just not re-inventing the wheel.”* In accord with Kong’s (2010b) assertion that an holistic view of the intellectual capital constructs is beneficial, respondent Q22 suggests that leadership has an effect upon innovation in practice:

“The effective use of staff is governed to some extent by the leadership within that department. To say this varies across the organisation is somewhat of an understatement. It is evident which departments are led by someone who stifles innovation and free thinking, and those that encourage staff to think outside of the box and are allowed to express themselves.”

Respondent I1 supports this position by suggesting that the information technology team are innovative because they are encouraged to be by the leadership of that department:

“The information technology team are innovative anyway, it’s part of what they do. This team is more innovative than other ones I’ve worked with and I think that’s because they’ve been empowered to make a difference. That is their remit, to actually contribute to the success of the organisation and the directors are willing to listen to their expertise in doing that. I think there’s a freedom of thinking that allows them to approach a problem differently and actually see improvement through to the end.”

The level to which innovation is embedded within the organisation is sharply questioned by respondent I6 who posits *“Pockets of innovation. Not mainstream. I sat on the promoting innovation training and if that’s how we are being guided to enhance innovation, then I’m sorry we’ll never get there.”* Areas where it is proposed that innovation takes place are highlighted by respondent Q5: *“There are a number of beacon departments such as regeneration, information technology and assets.”* These assertions that innovation occurs only within certain discrete parts of the organisation and that these pockets of innovation may be linked to the leadership of these areas is a useful juxtaposition to Kong’s (2010b) concept of intellectual capital where it is purported that intellectual capital promotes the creativity possessed by all organizational members.

At an organisational level, where Kong’s (2010b) research was undertaken (indeed much of the extant social enterprise research referenced in this thesis was undertaken at the organisational level), it must be seen as optimal for all individuals and departments to

contribute to improved competitive advantage through a coordinated approach to intellectual capital. However, as suggested by this research, it should be recognised that the level to which intellectual capital is embraced, along with which of the constructs are given primacy will have an influence on the overall success or impact of organisational intellectual capital.

It is of note that throughout the literature that features in this research, where intellectual capital is promoted as a positive organisational undertaking, much is made of which of the intellectual capital constructs adds most value. Likewise, much is made of the possible benefits of taking an holistic intellectual capital approach. However, operational elements of intellectual capital at departmental or individual level appear to have been overlooked and it is of interest to identify the barriers not only to innovation but to other intellectual capital elements that are present within this organisation. Some of these barriers are likely to be contextual, that is, affected by the sector, size, demographics, age and pace of the organisation, and some will be specific to this organisation such as the issue of transferred staff. The following analysis of the intellectual capital construct overlaps will aim to demonstrate where innovation in this organisation or barriers to it, may be found.

The Human and Structural construct overlap

Kong (2010b) outlined the benefits to innovation of this overlap as the area where social enterprise stakeholders use their collective knowledge to develop new and improved products and services. To expand upon this, innovation may be present where experienced staff work together to make organisational change to the strategy, processes and workflows in order to devise and provide new products and services to their customers. This research has found a number of intellectual capital elements within this overlap. They include the codes board, motivation, structure, leadership, performance management and culture. These were identified from this research's journey through the data pertaining to the human (section 5.2) and structural (section 5.3) intellectual capital constructs. With regards to motivation, in this context, how committed staff are to innovating, or improving services and products on an on-going basis, the organisation's strategy document states it considers that good governance and a diverse, skilled and motivated workforce is essential to achieve its vision and mission. The strategy document goes on to state that its business is people centred and success will depend on the ability to attract, retain and develop the best possible staff, supporting and motivating them to reach their full potential.

Within the organisation, motivation is seen by respondent I1 as:

“It’s not through large pay packets. But I think there is a - well at least in the team I work in – there is an extremely good team spirit, a rapport that makes it ... well you look forward to coming in every day.”

Respondent I8 offers a different explanation of motivation in action:

“To keep morale and motivation up people need to understand change. People will adapt, they aren’t shy of it. I welcome it. What is the new challenge? How will it look, how will it look to the world. You have to create the environment where this change happens.”

Therefore, as posited by this research, a motivated work force may be one important intellectual capital element that needs to be in place in order to facilitate the translation of the knowledge held by staff into innovative and relevant processes, products and supporting organisational structures. The organisation’s strategy document makes reference to the importance of internal structures and states that it will implement a corporate approach to people planning to continuously review and assess the organisational structure and the people skills required to deliver our services. This statement acknowledges a link between having the appropriate organisational mechanisms or structures in place along with appropriately skilled people and by stating an approach to continuously review is in accord with Kong’s (2010b) assertion that good intellectual capital management forces social entrepreneurs to constantly re-think, re-design, re-organise and review their organisations.

Bontis et al. (1999) argue that intellectual capital should be flexible and easy to understand as this will allow members in social enterprises to direct their energy towards organizational goals. It is suggested by respondent I8 that flexible structures are promoted within the organisation:

“Yes, definitely, a real difference to that command and control that we have been used to in the Council. The structure is flexible really. We as managers are encouraged to question resource needs.”

Respondent Q2 supports respondent I8’s organisational viewpoint and posits that *“The organisation is constantly seeking to add or improve skills across the entire structure.”* It is encouraging to note that flexibility of structure is an intellectual capital element that appears to be in place, or at least recognised within the organisation. The overall concept of providing strong leadership through a strategic approach of utilising intellectual capital is a major finding of Kong’s (2010b) thesis on innovation in social enterprises.

The benefits of this leadership are outlined by Kong (2010b) as effectiveness and efficiency and in Kong and Prior (2008) an example of a benefit in the human capital and structural capital overlap is leadership associated with formulating organisational strategic plans. Kong (2010b) goes on to state that it is the role of leaders to look to the future and search for potential threats or opportunities for the organisation. The ability to innovate in order to gain competitive advantage from either opportunities or threats can therefore be thought of as an not-for-profits primary objective (Kong, 2010b). The ability of the human capital aspect of leadership to positively influence structural capital is therefore summed up by Kong (2010b) as giving the ability to influence strategic choices, the design of organisations and ultimately performance. With reference to this research respondent I5 suggests that for this organisation:

“The enthusiasm is there to be innovative. A large number of people don’t understand what innovation is. There are examples of it. One of the directors does give a level of leadership on this.”

The above statement recognises a direct link between innovation and leadership within the organisation and this is a theme present in the data. Respondent I2 suggests a possible problem:

“...the senior management team try to motivate people but I think we are up against a culture at the moment and again I think the problem lies with middle management who aren’t passing through messages.”

A more specific comment was made by respondent I2 who suggests *“I think there has been an issue with leadership in the team. The head of service was not dynamic and this was frustrating.”* Respondent I5 provides the following suggestion, *“The remoteness of the executive team is an issue, the one directorate where things appear to be being addressed more than others.”* These comments suggest that there is not a corporate leadership approach across the organisation, although in support of Kong’s (2010b) assertion around innovation, there does appear to be an understanding within the organisation that leadership has a high level of influence on how innovation is regarded and pursued. As stated by Kong and Prior (2008) extraordinary firm performance may be obtained through competitive advantage gained, by the organisation and as such, and as may be seen from section 5.2.4 organisational performance features prominently as an element of intellectual capital. The importance of innovation around performance was noted above as Kong (2010b) stated that performance is

influenced by the human capital elements of leadership skills and professional knowledge aligned with the structural capital elements of strategic choice and organisational design.

In this organisation, the data demonstrates that performance management has been given some primacy. The aspiration of a balanced scorecard approach appears in the organisation's strategy document, mention was made of in-house developed performance tool which was demonstrated to be a performance management framework that would look at the structures and processes needed to provide services and which would make up the structural capital elements of performance, along with the identified key performance indicators. The human elements of performance management were identified by the performance development review process whereby staff are given priorities linked to organisational objectives and then training necessary to be proficient in delivering these priorities. The synergy between the two intellectual capital constructs was ably summed up by respondent I2 who posits, *"It's good to see that finally objectives can be seen to link up to the organisation and down to staff. They are relevant and people are starting to see how they fit in with the bigger picture."* The intangible factor of aiding staff to see where they fit in to the strategic objectives of the organisation is important at an organisational and academic level and Kong (2010b) urges the necessity to simplify how innovation occurs and is managed within an organisation.

It may be inferred from the data that culture is strongly aligned to processes, change and structure all of which are important nodes within the structural capital construct (see figure 13). Kong and Prior (2008) describe culture's affiliation with structural capital as the vessel that holds the non-human knowledge in the organisation. This includes databases, manuals, strategies, processes, organisational culture, publications and copyrights. They posit that benefits to the organisation may be achieved if the prevailing culture is one that is willing to accept change, which implies the organisation is flexible enough to adapt to new opportunities. Kong (2010b) highlights a link between culture and the ability for an organisation to undertake change and states that an organisation's freedom for change agents to pursue novel ideas is enhanced when the culture, a major element of structural capital, is supportive of innovation. Within the organisation, as highlighted in section 4.4.2 in chapter four, the organisation through its strategy document states its intention to deliver core corporate and value driven development activities, including leadership, customer service and management development to support culture change.

It is worth noting that in accord with Kong's assertion around the link between culture and change, the data suggests that this organisation recognises the relationship between culture and change. Individual actors recognise the importance of promoting a positive culture and respondent I2 states *"My team's main challenge is peoples' behaviours, attitudes, 'living the values', inappropriateness"* The respondent goes on to give a less than positive account of their view of the current organisation culture:

"I think I can describe what the aspiration of the culture is, but for me at the minute, the culture is one of fear, cynical, a lack of trust and I think that at the senior management team end want to give staff trust, we want don't want them to feel afraid to speak up. There's an awful lot of that and I don't understand it."

Respondent I3 gives a specific account of poor culture in action and the reference suggests a divided culture:

"Culture, there is still that 'them and us' and at times it does meet harshly in some situations. They clash, at times when you could really do without that clash. At staff conferences this stands out like a sore thumb, it's really apparent to the point of being uncomfortable. But I think that at the conference everyone should be involved, no one should sit outside of the event, everyone needs to be involved... It's at time like this that it is very apparent the culture is one of them and us."

Kong (2010b) warns of the negative impacts associated with this and suggests that aligning the mission and values for all staff is a challenge in not-for-profit organizations. This divided culture and the problems associated with it are indicated by respondent I4:

"The culture here is different to anything I've seen before, there is a local authority culture that stems from the committees, managers there. I've managed people with local authority and private sector backgrounds I've seen problems with both."

It is of note that the suggested cultural issues have possible links with the human capital element of transferred staff with a suggestion that their historic culture from the council may be a reason for some of the cultural issues within the organisation now. Respondent I5 assesses the situation thus:

"Look there is a difference between the staff that transferred and the staff that arrived. Now, I believe that the council, pre-transfer had better housing staff than most local authorities and they were motivated for transfer. But their motivation for a continuously improving organisation is a completely different issue. In their minds they were already doing a good job and perhaps only needed some small changes. The way those changes have been communicated has caused problems and I think there are now cultural problems or behavioural issues because of it."

From the above comment, it is of note that the possibility that the absence of structural capital elements such as communication and human elements such as motivation, in a format suitable for the transferring staff may have contributed to the current perceived cultural issues.

The Structural / Relational construct overlap

This research has found several intellectual capital elements within this overlap. They include the codes board and strategy. They were identified from this research's journey through the data pertaining to the structural and relational intellectual capital constructs. Strategy's importance to social enterprises is described by Kong (2010b) as required to be a major consideration and extends to resource acquisition and resource allocation. If this statement is correct then we must accept that strategy has an influence on all the intellectual capital constructs and of course would affect their overlaps such as identified here. Kong (2010b) goes on to highlight that strategy affects what businesses and services are initiated, what services are grown and how fast they are grown. Therefore, it would follow that strategy is a major influence on structural capital (the mechanisms in place to develop the services and products) and on human capital (providing the experience, training and human resources to deliver the services and products). This leads Kong (2010b) to posit that his intellectual capital conceptual framework aids alignment between strategy and organisational objectives in social enterprises. The organisational strategy aims to publicise the organisation's key objectives and methods for delivering them. Specifically the strategy attempts to describe how the organisation intends to deliver, over the next five years, all that has been promised and demonstrates that we have the financial capability to do so.

It was encouraging to note from table 53 that the majority of respondents involved in the research thought that strategy within the organisation was effective. The identification of the importance of strategy by the organisation and its apparent effectiveness in use along with the fact that the data identified its overlap with the human and structural constructs does go some way to further validating Kong's (2010b) assertion that his intellectual capital conceptual model can be used as a management framework for innovation in social enterprises. The other element noted in this overlap referred to the board and indeed this code was identified in all the overlaps. It is discussed below.

The Relational / Human construct overlap

This research has found one intellectual capital element within this overlap. This was the code board. It was identified from this research's journey through the data pertaining to the relational and human intellectual capital constructs. In terms of the possible import of this code it should be noted that it was identified in each of the structural overlaps. Kong (2010b) states the role and importance of a board as a unique leadership resource representing the professional knowledge of individuals such as senior executives, groups such as the senior management team and other governance bodies. This statement suggests that the board of an organisation is expected to provide leadership and governance to that organisation and therefore it follows that the board is likely to be heavily involved in setting the strategic direction and social mission of a social enterprise. The board itself maybe thought of as one of the organisation's stakeholder groups and its importance to innovation is presented by Kong (2010b) as aiding knowledge creation through dialogue and challenge.

The board's role is setting organisational direction and challenging and enhancing performance through innovation. Therefore, it is concerning to note a theme prevalent in the data that suggests a difficult relationship exists between the board and the leadership and staff. Respondent I5 states the following concerns as *"I think the board have a bad attitude that influences bad behaviours and its getting people down."* The respondent goes on to suggest the negative influence this may be having on the organisation:

"I'm not blaming the chief executive, it's the board that won't let him. Look, the board is very old fashioned to be honest. That's where the command and control ultimately comes from. They selectively chose the operational areas they want to be involved in and that's very frustrating. It's a major blockage actually."

In an attempt to highlight the magnitude of this negative influence respondent I4 tells us that:

"Generally staff are demotivated and there is an issue with board and their relationship with the executive team which then affects relationships with the heads of service. Given some of the board's recent decisions, I personally feel demotivated and then it's hard to motivate staff."

As the above comments are made by members of the senior management team there is cause for concern. Kong (2010b) does assert that challenge from stakeholders is useful to innovation when presented as positive in nature. The data from this organisation suggests that the challenge given by board is of a negative nature and is having a negative influence on the human capital elements such as structure (referred to above as command and control) and

motivation and these comments as noted were from senior managers. How that challenge is dealt with in the organisation, or rather a possible indication of how the relationship between board and the executive team shapes that knowledge exchange is proposed by respondent I3:

“This is something I analyse a lot in my own time! I find it interesting. Whenever I have contact with the board there is this kind of really weird attitude... If I do a say, report for board, the Directors are like ‘Are you ok with that?’, ‘Are you alright?’ Of course I am. If I’m questioned about the report I know I can give answers. I get the sense that there is a kind of ‘buffering’... It’s almost shielding the board and I don’t understand that. I don’t get it. They are professional people who should be able to take the message.”

The above suggests a degree of filtering is in place as opposed to a proper, useful knowledge exchange where the possibility of increasing innovation or adding to existing knowledge to either the relational or human construct may be accrued and indeed is posited by Kong (2010b). Respondent I3’s following comments further define this suggestion of filtering and goes as far as suggesting that innovation is stifled through these challenges rather than promoted by them:

“Yes, but the innovations are met with aversion when they are put forward. I don’t think the organisation wants to stifle it, they want to encourage it but this maybe where the buffering actually happens before board gets involved. They are afraid of risk if anything is too new, too out there... Sometimes board are fine with these suggestions, they totally get it, but it seems that the executive team want to ‘buffer’ messages, only give board nice messages.”

The board is identified as an important element of all the intellectual capital constructs and is identified as practically important to the organisation. However, the issue of the perception of the board by the senior management team and staff, along with a suggestion of a difficult relationship with the executive team does suggest that practically, the organisation needs to intervene to fully understand this theme and where appropriate make positive changes. Overall, Kong’s (2010b) study on innovation processes in social enterprises argued that intellectual capital could be used as a strategic management framework and this research found no evidence contrary to that assumption. Kong (2010b) himself suggested that these findings would benefit from empirical testing, and this section has analysed the innovation processes found in intellectual capital construct overlaps as defined in Kong’s conceptual model. This research has added to Kong’s assertions in several ways. Kong’s (2010b) thesis and the resulting conceptual model were based upon research undertaken through a literature

review. This research has, through a qualitative approach, allowed the dissemination and analysis of richer data in order to test this model empirically. Whilst Kong identified where the innovation gains could be found in the model (that is in the intellectual capital construct overlaps) this research has populated those areas with actual examples from the data (see figure 29) and these intellectual capital elements are offered as an identified improvement upon the original model. In order to test and ultimately offer suggestions of how to build upon the model the empirical testing was undertaken through a different lens to that used by Kong when developing this conceptual model. Kong (2010b) undertook a theoretical approach and looked at organisations per se.

This, more practical approach, looked at one organisation and indeed at its constituent parts, so the richer data used within the analysis looked at elements such as departments, staff at management and officer levels along with the actual development of the intellectual capital constructs with suggested intellectual capital elements. This resulted in figure 29 which is an adapted version of Kong's (2010b) social enterprise conceptual framework model. This research identified a number of intellectual capital elements that overlap the various intellectual capital constructs and these were outlined above. As Kong's (2010b) model and thesis were in pursuit of identifying innovation process it is of particular note that the organisation in this research suggested, through the analysed data, that there was not a clear and organisationally held definition of what constitutes innovation. Whilst this is of concern at a practical level for the organisation what was also interesting to note was the suggestion that only pockets of the organisation were capable of being innovative and the ability to be innovative seemed to be linked to the leadership of that particular part of the organisation. Of relevance to Kong's research is an assertion that when this model is tested empirically in a real organisation with real actors it appears that innovation which is expected to be pursued in an holistic fashion organisationally, may in fact only exist in pockets. Indeed, innovation may be actively stifled in other parts of the organisation. This realisation that intellectual capital elements need to be fully embedded in an organisation highlights practical concerns and requirements for the organisation.

Another intellectual capital element identified through this research as important to the innovation processes is motivation of the staff. It was noted by Kong (2010b) that innovation occurs through the transition of knowledge to provision of products and services so the more motivated staff are to gain and share knowledge and then use it in a positive fashion the

greater benefits to the organisation. On a practical note, for this organisation is the concern that some staff are not motivated. The theme of transferred staff was discovered from the data in chapter four (see section 4.2) and the schism between the attitudes of some staff who transferred to this organisation from the council becomes more apparent as analysis takes place around the elements of human capital. Kong (2010b) asserted the need for flexibility in order for social enterprises to be able to quickly react to changes in demand or to cope with opportunities and threats and this analysis has suggested that flexibility within this organisation is linked to structure and culture. This accords with Kong's assertion of the need to be able to change products and services being delivered (which here relates to structural elements) and to gain required new knowledge and to divest itself of outdated knowledge (which here relates to human capital). Culture was identified from the data as being an important structural element although Kong (2010b) only makes a brief mention of it. Of practical concern to this organisation is the divided culture that appears to be in place between staff recruited directly to it and those who transferred to it from the council. This is of concern as any organisational attempt to put in place mechanisms to promote intellectual capital are likely to encounter barriers and resistance in terms of flexibility, willingness to change and in the levels of motivation (all themes linked to issues with the transferred staff as identified in chapter four).

Analysis of the data demonstrated the importance of the board code. It was prevalent in all three of the construct overlaps and due its ability to impact upon all areas of the organisation and across human, structural and relational aspects of the organisation this research would recommend that it is given greater prominence in Kong's (2010b) conceptual framework. Of a practical nature for the organisation it is a concern that the data evidences multiple references to a mistrust of the board. This suggests a possible breakdown in the relationship between board and the executive and senior management teams within the organisation. This could result in a reduced positive impact upon all of the intellectual capital constructs, leading to a loss of innovation.

5.4 Relational Capital - With reference to the literature

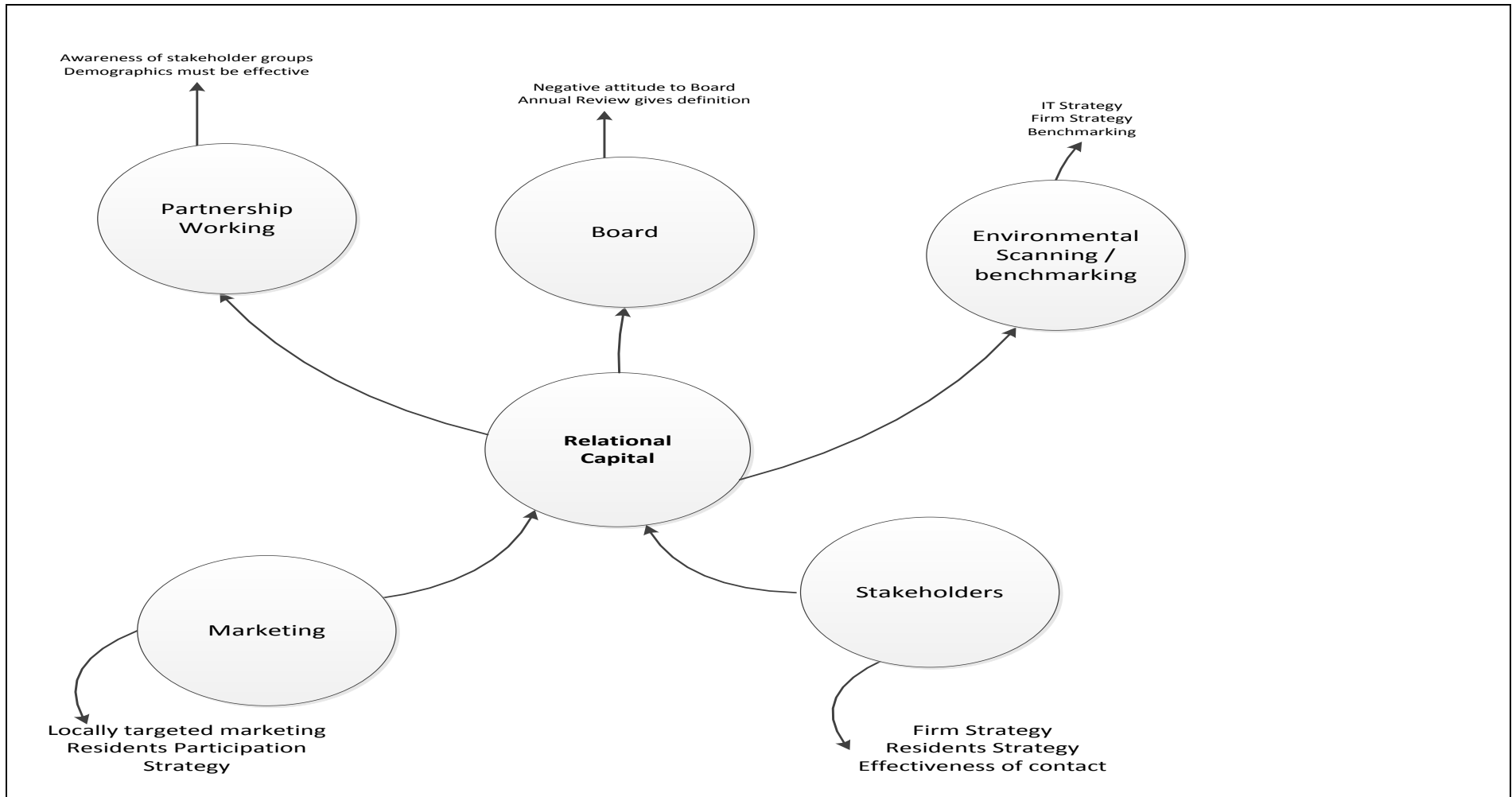


Figure 30 – Relational capital: The journey through the data

This section analyses data centred around the third research question which was entitled ‘To what extent is the organisation employing the intellectual capital construct of relational capital?’ As demonstrated in figure 30 a number of relational capital codes and themes were identified by the research. Kong (2010b) defines relational capital as an intellectual capital construct that represents an organisation’s relations with its external stakeholders (see section 1.3.3).

5.4.1 Stakeholders

Fletcher et al. (2003) argue that positive stakeholder engagement enhances profitability and enables managers to ensure that strategic direction addresses issues of stakeholder perception. Of specific interest to this research is Fletcher et al.’s (2003) assertion that stakeholders are of particular importance in not-for-profit organizations, which commonly have a more diverse group of stakeholders than private for-profit organizations thus making it more difficult to identify strategic issues. These statements have resonance with this research as in chapter four it was stated that whilst Sveiby’s (1997) intangible assets monitor model which was utilised in this research as the theoretical framework was initially developed to work with for profit organisations here it was adapted to cater for not-for-profits. Additionally, this organisation has stated its intention to place one group of stakeholders, the organisation’s customers or residents at the heart of its strategic intentions. The organisation’s strategy document states that the board is determined that everything the organisation does will benefit not only the residents but will also contribute to the regeneration of the city. The document goes on to set out how it intends to ensure that the resident stakeholder group is serviced and states its intention to undertake neighbourhood audits and develop action plans to maximise the potential of partnership working to produce the outcomes residents want for their neighbourhoods.

The seriousness the organisation ascribes to the resident stakeholder group has seen the development of a resident participation strategy which is a standalone (and one of the documents analysed by this research) strategy document. Its intentions with regards to residents are to develop a positive working relationship between residents, board members and staff to deliver continuous improvements to our services. The document goes on to state that the organisation recognises the long term commitment required to truly develop a culture of participation within the organisation and that it will work with residents and staff to agree the most practical and effective ways of achieving positive culture change.

Within the findings from chapter four a multitude of identified groups relating to stakeholders were discovered in the data (see figure 31). Closer analysis identified 23 distinct stakeholder groups. Figure 31 below represents them diagrammatically. It should be noted that the research here concentrated upon external stakeholder groups as opposed to internal stakeholder groups.

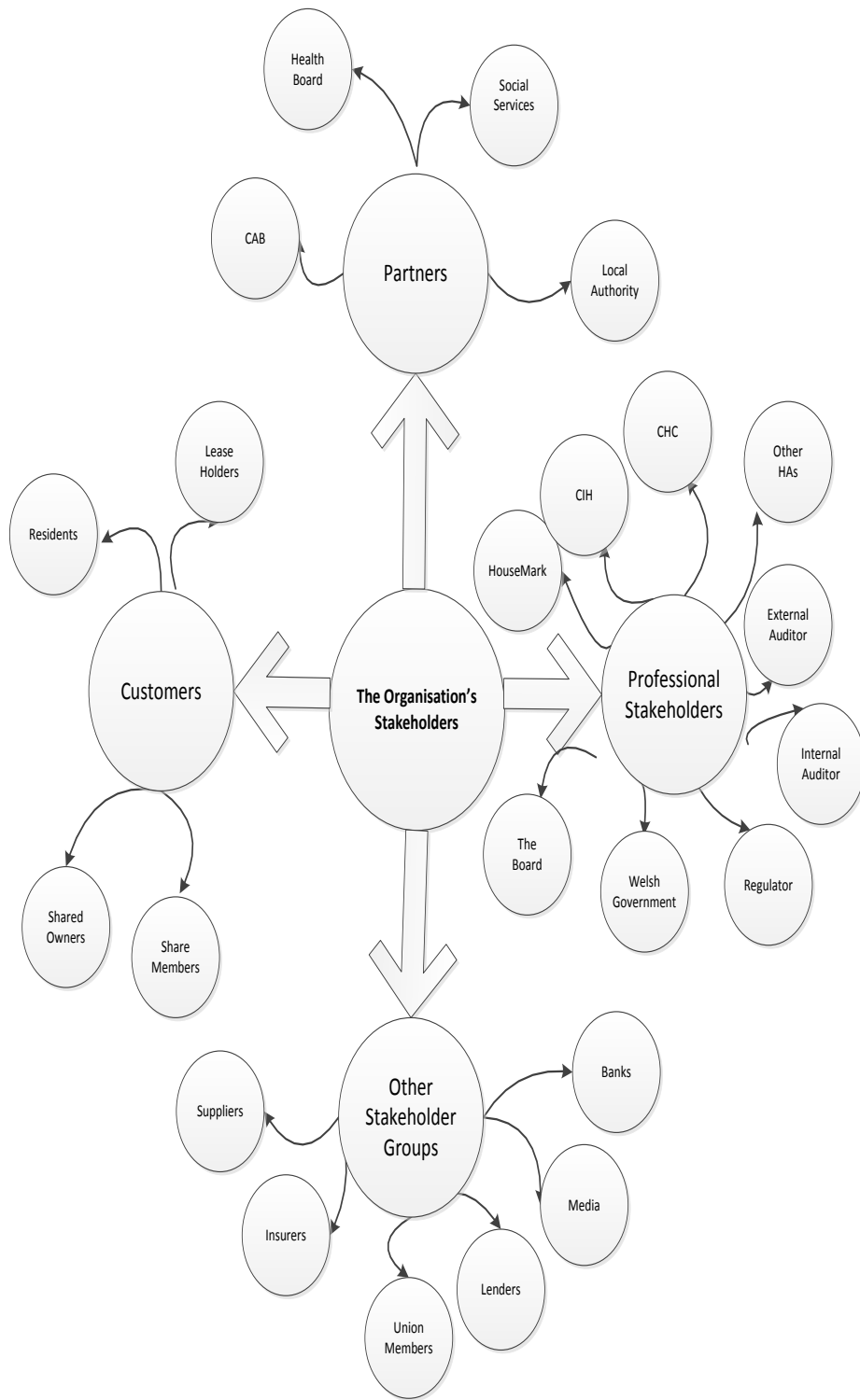


Figure 31 – List of organisational stakeholders

Within the organisation it was discovered that a high percentage of staff had contact with stakeholder groups as demonstrated in table 59. This would concur with the organisation's stated intent of placing stakeholders, particularly residents, at the heart of its strategic objectives and building services and products that these groups have been able to contribute towards. In terms of the benefits of the relational capital elements of intellectual capital to the organisation this would suggest that as stated by Kong and Prior (2008) the organisation is applying strategy and operational effort in pursuit of utilising relational capital as an element that connects all intellectual capital components with the stakeholders. Table 60 demonstrates the various methods of communication with stakeholders adopted by the organisation and how effective they are rated by the staff. The actual amount of interaction between staff and stakeholders is demonstrated in table 61 which encouragingly suggests that the highest percentage of representation by staff with stakeholders is through resident based events.

Fletcher et al. (2003) assert that key stakeholders may use various types of influence strategies and this was demonstrated to be the case within the organisation with some concerns over the stakeholder groups voiced by staff, particularly the senior management element around the demographic of those residents that actively become involved with the organisation. Respondent I1 states *"I think if you look at the communications panel, the average age is probably somewhere between 40 and 50, so there is a lot of the younger residents we are not touching at all."* Fletcher et al. (2003) recognise the difficulty involved in stakeholder management and posit that managing stakeholder involvement is a major challenge for not-for-profit organisations. Whilst this statement does not directly contradict Kong's (2010b) assertion that relational capital helps generate new and build existing knowledge it does build upon the statement that this knowledge is generated through challenge between stakeholders and the organisation.

As already stated within this research minimal extant social enterprise literature has been published for the whole concept of intellectual capital within housing associations. Further little of this makes more than passing reference to the expected role of stakeholders or how their contribution to the organisation could be harnessed or how their influence could have a negative effect upon the organisation. Therefore, this research sees it as beneficial to classify the identified stakeholders in order to gain an understanding of the power they may hold over the organisation. In order to undertake this classification this research has adapted Frooman's (1999) model of resource relationships and has used its criteria to place the organisations'

stakeholders in the identified quadrants (as seen in figure 32 below). Frooman's thesis on stakeholder influencing strategies challenges the more traditional intellectual capital relational capital view on stakeholders and the benefits they may offer an organisation and whilst recognising the economic versus social dichotomies echoed in the intellectual capital literature and goes further by offering the following definition and possible benefits of stakeholder management thus:

“I suggest, however, that although simple in concept, the mere recognition that stakeholder and firm interests do diverge is as important a step toward managing stakeholders as is identifying and classifying those interests. In other words, I wish to surface here an assumption that I believe underlies all stakeholder theory: stakeholder theory is about managing potential conflict stemming from divergent interests.”

The data did not suggest any overt negative influence over the organisation by any of the stakeholder groups (with the exception of the possibility of the negative impact from the board's relationship with the leadership team). Rather there was a suggestion that contrary to the stated organisational strategic objectives of involving all residents it had become a concern to some staff that those engaged residents were not typically representative of the overall demographic of residents. The stakeholder group, the board, has been suggested as having a difficult and challenging relationship with the management of the organisation but a discussion took place in the previous section that looked more specifically at the need for the board's role to provide a challenge. Rather the following classification is seen as a method of improved understanding and therefore managing and garnering benefits from the stakeholder groups as part of the organisations relational capital. It may also give an added benefit of being able to recognise which of the many identified stakeholder groups (see figure 32) have the most legitimacy, power and urgency (which are the three key attributes of stakeholder groups as identified by Frooman (1999)) and therefore priority in terms of dealing with, for a social enterprise.

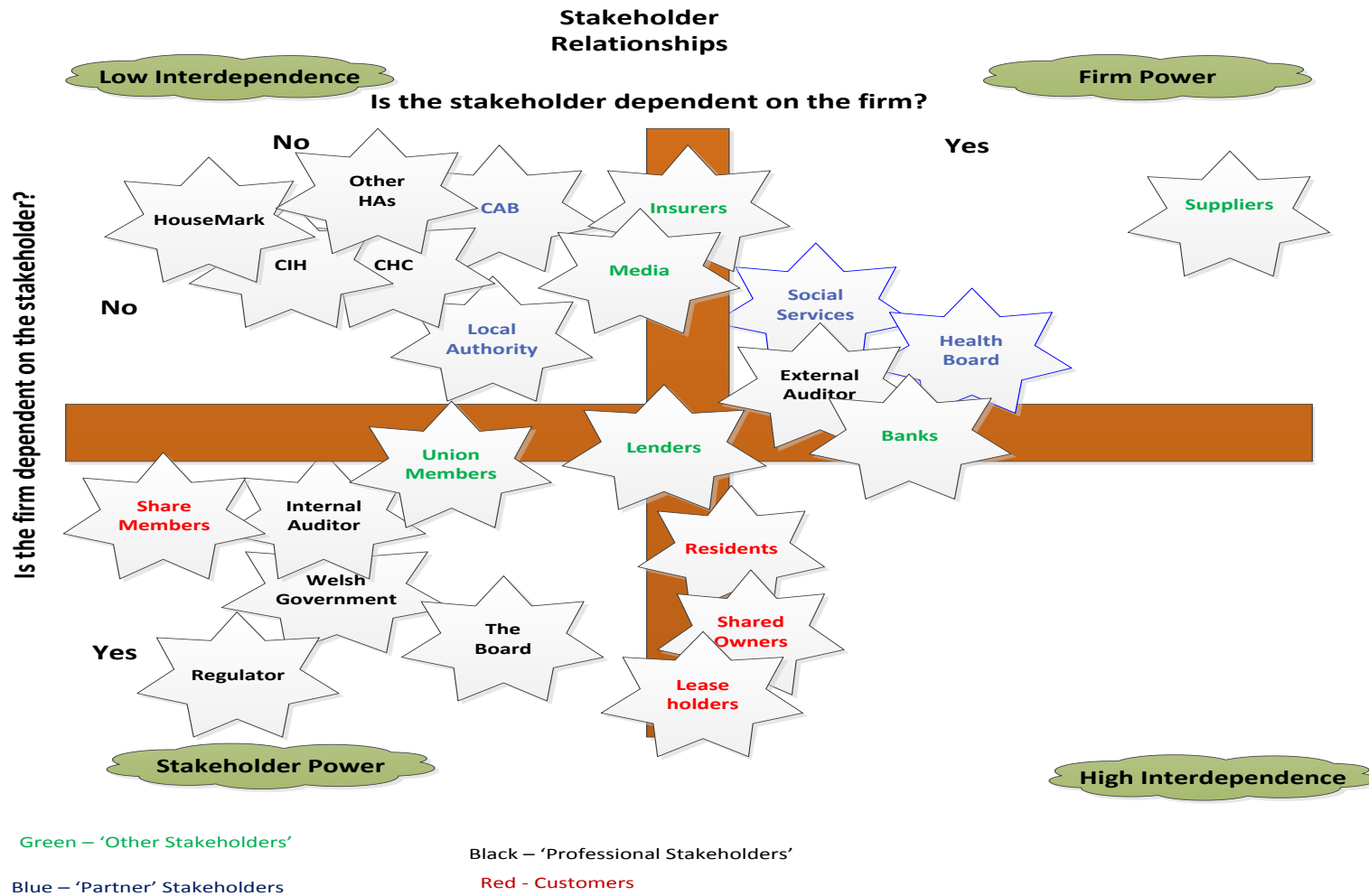


Figure 32 – Classified Stakeholder Groups (adapted from Frooman’s Resource Relationship model (1999))

Here the identified stakeholders have been grouped according to type and individually identified. It is interesting to note that a number of identified groups are also present in Fletcher et al.'s (2003) research, namely the government, local authorities, union members, health, regulators, suppliers and the media and this suggests a congruence of stakeholder groups required to be present for not-for-profits, and this would be worthy of further research. Utilising these classifications it can be seen that such a model would allow a social enterprise (or indeed organisations in any sector) to easily visualise what power relationships they have with individual stakeholder groups and this would inform how those groups need to be managed. This research would therefore argue that it has furthered Fletcher et al.'s (2003) stakeholder theory by demonstrating through the data that not-for-profit do indeed have a diverse group of stakeholders (see figure 32) and would agree that they form an important element of the relational capital construct. From a practical perspective, the use of their model and analysis of the data has highlighted that the demographic of involved stakeholders may be a cause for concern. A number of the research's respondents within the organisation highlight a concern that the stakeholders are not truly representative of the organisation's overall demographic.

It would also assert that through its use within this research Frooman's stakeholder relationship model has been improved as identified stakeholders for an not-for-profit were used empirically to test the model in this sector, and as can be seen above in figure 32 were classified according to Frooman's theory. The use of this model within the organisation has also identified practical possibilities related to stakeholder management, as the classifications developed in figure 32 can be used to visualise the relationship between stakeholder groups and the organisation, thus allowing the organisation to develop strategies to manage discrete groups in a relevant manner according to identified power and interdependencies.

5.5 Chapter Summary and Conclusion

It was the potential for intellectual capital to provide competitive advantage (section 1.4) as espoused by Kong (2010b), backed up by housing association sector specific examples (section 2.6.2) from Essex (2008) and Welsh Economy Research Unit (2008) that alerted this research to the potential that intellectual capital could have on the organisation with respect to improving competitive advantage. This is specifically important in light of the current global financial situation. Accepting the efficacy of intellectual capital as an aid to

improving the operability of the organisation, this research noted Kong's (2010b) statement that intellectual capital is a relatively new research area within social enterprises. He further espoused the need for more research in this sector and states the need for researchers to make use of qualitative and quantitative research approaches and to empirically test the theories already developed.

This research has gone some way to begin to test these intellectual capital concepts in a social enterprise context. The conceptual framework (table 12) utilised by this research was found to be a useful model for discovering and investigating elements of intellectual capital within the organisation. Further, it provided a sound method of classifying these elements by intellectual capital construct (figures 19 to 21), although it was noted in this chapter that some intellectual capital elements appeared capable of being classified in more than one of the intellectual capital constructs (section 5.1). Several contributions to knowledge were argued for including the recognition of the difficulty in classifying some intellectual capital elements (section 5.1), and thus the acknowledgement that identified codes and themes within the data may affect multiple intellectual capital constructs. This framework was developed through the adaptation of two existing models (Sveiby's (1997) intangible assets monitor model and Kong's (2010b) intellectual capital constructs) and the research argues that through their practical use in a social enterprise, contributions were made to each of the models (section 5.1).

For the intangible assets monitor model, it was argued that this research has demonstrated that the model may be used in not-for-profits in addition to the profit making organisations that it was originally developed for. Additionally, that it has identified intellectual capital elements may be used for gathering qualitative results in addition to the quantitative results it was originally developed for. Further it was argued that a significant contribution to knowledge was made by the development of the data gathering questions, used in both the questionnaire and interviews (see table 65) and codes (see figure 22) identified by this research which will form a sound base for further intellectual capital research in social enterprises and within housing associations. Contributions to both knowledge and practice were argued for relating to the use of Kong's (2010b) constructs within this research (see section 5.1.2). Empirical testing has further justified these intellectual capital constructs and evidenced that they are valid within differentiated areas of the social enterprise sector, in this case, housing associations. Moreover, also argued for as a contribution to theory are the

codes identified in this research as relevant to Kong's intellectual capital constructs which further refines Kong's model and provides a basis for further intellectual capital research within housing associations specifically.

As the research analysed the data relevant to human capital (section 5.2) a number of contributions to theory and practice were argued for. A theme which was coded as experience argued against Benevene and Cortini's (2010) assertion that not-for-profits generally prefer to employ staff with existing sector experience. With relevance to the code, training, it argued in support of Mesa's assertion of a dichotomy between training and individual development, and this leads to a practical contribution where the organisation needs to make its future training programmes more specific to individuals and targeted to needs. A recurrent theme within the data transferred staff (section 5.2.2) makes a contribution to theory in terms of Kong's (2010b) assertion around culture and the need for not-for-profits to be flexible and indicates a possible correlation between Kong's concept of unlearning and lower levels of performance, innovation and continuous improvement. The contribution to practice in terms of the organisation is the need to intervene and transform the negative culture of this identified group.

With relevance to structural capital, contributions to both theory and practice are argued for. The identified theme of age and pace (section 5.3.1) were demonstrated to be relevant to the organisation's strategy and future operations and this supports Kong and Ramia's (2010) theory on pace. This research did not however, concur with their assertion that structural capital is a complementary intellectual capital construct, and it argues that structural capital is in fact an important construct in its own right. In terms of contribution to practice the analysis demonstrates a number of structural capital elements that the organisation needs to more fully understand and refine, particularly the codes culture and structure (which are demonstrated in figure 24).. A significant contribution to theory is argued for in relation to Reychav and Sharkie's (2010) trust model (section 5.3.2) and this research has identified actual motivators relevant to social enterprises and housing associations which provide a sound basis for future research around trust and motivation within these type of organisations (see figure 26). A practical contribution was identified through the use of the model and that was the identification of the perception of problems with leadership within the organisation.

Analysis of the structural element performance management (section 5.3.3) argues for a contribution to theory and practice. A significant contribution to theory is argued for in relation to adapting Sillanpaa et al.'s model of intellectual capital management by the identification of a number of informal mechanisms that may be used to manage intellectual capital (see figure 27). Additionally, this research agrees with Andriessen's (2004) argument that the intangible assets monitor model is a valid approach to intellectual capital management. As a practical contribution the organisation's own performance management model was identified and it was suggested that this needs to be embedded within the organisation and reviewed to see if it is giving the expected results and benefits to the organisation. Innovation as a structural capital element (see section 5.3.4) was identified as important and a contribution to theory and practice is argued for. In relation to theory, a significant contribution is evidenced through adapting Kong's (2010b) conceptual model of intellectual capital within social enterprises by developing actual innovation elements as demonstrated by the data and populating the model with them (see figure 29). These will provide a useful and sound basis for future research around innovation within social enterprises and housing associations. The practical contribution was demonstrated as a need to address staff understanding of innovation, and the need to overcome the perception of a difficult relationship between the board and the executive team. Additionally, a number of departments within the organisation were identified as innovative and these areas may be worthy of further analysis with a view to disseminating best practice throughout the organisation.

Analysis of relational capital (section 5.4) identified contributions to both theory and practice. The research argues for a significant contribution to theory by refining Frooman's (1999) stakeholder model by identifying stakeholder groups actually present in social enterprises and then populating the model in order to demonstrate the relative aspects of power and dependencies in place within the organisation (see figure 32). This analysis is also argued for as a contribution to practice as the populated model (see figure 32) can be used by the organisation as a tool for improved stakeholder management and possibly as an aid to understanding and correcting the perception of the board's negative influence on the organisation. Additionally, this analysis also provides a contribution to theory in that it adds to the relevance of Fletcher et al.'s (2003) theory around the diverse set of stakeholder groups found in not-for-profits (see figure 31). A further contribution to practice was the discovery of concerns around the demographics of involved stakeholders and therefore concerns over

how residents are being represented by individual groups and this is worthy of further analysis by the organisation.

These contributions to theory and practice have been discussed in the preceding sections of this chapter and they will also be argued for in the following chapter with reference to the identified literature. To summarise, this chapter restated the academic question and then went on to evaluate the conceptual framework developed for this research and then to identify points of interest identified from analysis of the data and how they may offer a contribution to theory or practice.

Chapter Six – Summary, Conclusions and Recommendations

6.0 Reflection upon Previous Chapters

The individual chapters thus far have introduced the thesis' research aim (section 1.0), the academic subject of the research, that is intellectual capital (section 1.3) and then built upon that by describing a comprehensive literature review (section 2.2) and mapping the practical application of intellectual capital within the organisation (section 2.6). From this a theoretical model for use within the research was developed (section 2.7) and three individual research questions were stated (section 2.8).

The thesis then demonstrated the research philosophy employed (section 3.1), the methodology utilised (section 3.2) and went on to explain how the research was operationalised (section 3.4) and how the data was collected (section 3.5). The collected data was then analysed and the findings were grouped corresponding to the individual research questions (sections 4.2 to 4.4).

In chapter five the research findings were analysed and referenced back to significant findings within the literature review and to the individual research questions (sections 5.2 to 5.4). Table 67 demonstrates these major research components, highlighted on a chapter per chapter basis. It demonstrates how each chapter builds upon the previous, and provides a further demonstration of how and at what point the research was developed through to completion. Table 68 summarises the major contributions to theory and practice as identified throughout chapter five and these contributions that are argued for in this chapter.

Chapter One	Chapter Two	Chapter Three	Chapter Four	Chapter Five	Chapter Six
<p>Research aim stated as to undertake “An analysis of intellectual capital within a social enterprise context”</p> <p>The conceptual model employed in this research was developed</p>	<p>A comprehensive literature review was undertaken against seminal and contemporary extant intellectual capital literature</p> <p>Three research questions stated as:</p> <p>1). “Is there evidence of human capital employed within the organisation?”</p> <p>2). “Is there evidence of structural capital employed within the organisation?”</p> <p>3). “Is there evidence of relational capital employed within the organisation?”</p> <p>Practical mapping exercises were undertaken in order to check that suitable data would be available to the</p>	<p>The epistemological preference of the author was stated as that of an interpretivist</p> <p>Complementary to this preference, a qualitative research method was stated as the chosen research approach and it was further stated that a cross-sectional case study consisting of document analysis, questionnaires and interviews would form the research instruments</p> <p>Questions to be utilised by the questionnaire and interview were developed</p> <p>An ethical statement was developed</p>	<p>The collected data was transcribed and then coded by the use of the NVivo computer product</p> <p>The resulting codes and major themes as discovered by the analysis were grouped according to their associated intellectual capital construct, and then discussed as findings. These may be seen in detail in sections 4.3.1 to 4.3.3</p>	<p>The major findings were linked back to relevant academic research as discovered by the literature research in chapter two</p> <p>Specifically the following findings were discussed in detail:</p> <p>Training and experience unlearning age and pace motivation performance management innovation stakeholders</p>	<p>It was stated that each research question had been answered and therefore the overall research aim had been met</p> <p>The major research findings were highlighted</p> <p>This research’s implications for method, theory and practice were stated</p> <p>The limitations of this research was stated, along with suggestions for future research</p>

	research and initial thought was given to the type of questions needed to be asked by the research				
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Table 67 – Summary of chapter contents

	Contribution	Point of interest	Reference to the Literature
Contribution to Theory			
Conceptual framework used in this research	Contribution to theory	<p>Occasional difficulty in defining which intellectual capital construct some intellectual capital elements are related to</p> <p>Acknowledgement that codes / themes in the data may affect multiple intellectual capital constructs in a “<i>synergetic</i>” fashion</p> <p>Acknowledgement of the importance of the intellectual capital elements of innovation, change, stakeholders, culture, external publications and strategy</p>	<p>Ramirez (2010)</p> <p>Kong and Ramia (2010)</p> <p>Kong (2010b)</p>
Sveiby’s intangible assets monitor model	Contribution to theory	<p>Adapted for use in this research. Normally used for intellectual capital measurement giving numerical results, here it was used to gather rich quantitative data and was adapted to be used contextually, that is, for a not-for-profit rather than the for profit organisations it was developed for</p> <p>Assertion that the data gathering questions developed by this research. relevant to Sveiby’s individual indicators, provide a framework for future intellectual capital research in social enterprise organisations utilising this model</p> <p>Assertion that the actual intellectual capital elements utilised in this research provide a framework of intellectual capital elements for</p>	<p>Sveiby (1997)</p> <p>Sveiby (1997)</p> <p>See figure 19, figure 20 and figure 21 in section 5.2.1</p> <p>See figure 25 in section 5.2.1</p>

		future intellectual capital research within not-for-profits	
Kong's Constructs	Contribution to theory and practice	<p>Through empirically testing and analysing the data this research has further justified Kong's intellectual capital conceptual framework for innovation in social enterprises.</p> <p>This research argues that Kong's intellectual capital constructs complement Sveiby's intellectual capital indicators</p> <p>Through its use, this research identified a number of codes within the data that are relevant to Kong's intellectual capital constructs and useful for future social enterprise research and further informs Kong's model</p>	<p>Kong (2010b)</p> <p>Kong (2010b)</p> <p>Kong (2010b) Figure 22</p>
Research Question One - 'To what extent is the organisation employing the intellectual capital construct of Human Capital?'			
Training and Experience	Contribution to theory and practice	<p>The analysis did not support Benevene and Cortini's (2010, pg. 133) assertion that not-for-profits prefer to employ staff with existing sector experience</p> <p>The analysis appeared to support Mesa's definition of the dichotomy between training and actual individual development which in itself makes a link to Benevene and Cortini's assertion that training programmes need to be shaped to the needs of the individual</p>	<p>Benevene and Cortini's (2010)</p> <p>Benevene and Cortini's (2010) and Mesa's (2010)</p>

		The analysis indicated that this organisation undertakes too much training and that practically it would be beneficial to make that training more specific and targeted to needs	Benevene and Cortini's (2010)
Transferred staff – A case for unlearning?	Contribution to theory and practice	<p>The research indicates issues with staff who transferred into the organisation from the local authority upon its inception have retained a certain culture and approach to delivering services. Kong asserted that to be flexible in approach not-for-profits need to be able to flexible adopt and act upon new knowledge. This research supports Kong's assertion and highlights practical concerns over the cultural issues identified within the organisation</p> <p>With reference to theory the research indicates a possible correlation between unlearning and lower levels of performance, innovation and continuous improvement</p>	Kong (2010)
Research Question Two - 'To what extent is the organisation employing the intellectual capital construct of SC?'			
Age and Pace of Organisation	Contribution to theory and practice	<p>IC is contextual, but age and pace matter to organisation's strategy and future operations</p> <p>Kong and Ramia's research identified structural capital as seen as 'complementary' rather than an important intellectual capital concept. This research identifies structural capital as an important intellectual capital construct theoretically, and also identifies a number of practical issues that the organisation may wish to investigate particularly structure, culture, attitude to change and a concept central to structural</p>	<p>Kong and Ramia (2010)</p> <p>Kong and Ramia (2010)</p>

		capital itself, processes	
Motivation – Is trust a factor?	Contribution to theory and practice	This research has contributed to theory by identifying actual motivators and relating them to the elements of Reychav and Sharkie’s trust model, and has contributed to practice by identifying issues associated with the theme of leadership within the organisation	Reychav and Sharkie (2010)
Performance Management	Contribution to theory and practice	<p>This research has contributed to theory by identifying a number of informal methods to manage intellectual capital (figure 27)</p> <p>This research supports Andriessen’s argument that a valid method of intellectual capital management is the intangible assets monitor approach</p> <p>This research supports Sillanpaa et al.’s theoretical assertion that much of the literature concerns intellectual capital resources rather than actual outcomes, and practically it highlights a performance management framework along with identified key performance indicators (in order to report and measure outcomes) which had been developed by the organisation</p>	<p>Sillanpaa et al. (2010)</p> <p>Andriessen (2004)</p> <p>Sillanpaa et al. (2010)</p>
Innovation	Contribution to theory and practice	Kong identified where innovation gains could be found (that is in the intellectual capital construct overlaps) this research has populated those areas with actual examples from the data and these intellectual capital elements are offered as an identified improvement upon the original model .In order to test and ultimately offer suggestions of how to build upon Kong’s model the empirical testing was undertaken through a different lens to that used by Kong when developing the	Kong (2010b)

		<p>conceptual model. Kong undertook a theoretical approach and looked at organisations per se</p> <p>With reference to practice this research has identified a number of areas worthy of further research and these include the holistic perception of innovation, importance of leadership and the negative influence of the ‘board’ and their relationship with the executive team. On a positive note a number of ‘beacon’ departments were identified as innovative (IT, assets and regeneration teams) and these may be worthy of further investigation in order to disseminate elements of good practice</p>	
<p>Research Question Three - ‘To what extent is the organisation employing the intellectual capital construct of relational capital ?’</p>			
Stakeholders	Contribution to theory and practice	<p>This research argues that it has added to theory by testing Fletcher et al.’s theory upon stakeholder groups within not-for-profits and finding that in agreement with them, they do have a diverse set of stakeholders and additionally by identifying stakeholders within this not-for-profit specific sector</p> <p>Additionally the research would assert that it has contributed to Frooman’s stakeholder relationship model by using it empirically in the not-for-profit sector and classifying identified stakeholder groups according to that model. With regards to contribution to practice this research acknowledges how useful Frooman’s model is in order to classify the organisation’s stakeholders according to power and interdependency</p>	<p>Fletcher et al. (2003)</p> <p>Frooman (1999)</p>

		<p>dimensions and form stakeholder management strategies focused upon highlighted the concerns of a number of respondents in terms of the demographics of involved stakeholders and therefore concerns over how residents are being individual groups. Additionally the research appropriately represented by the involved stakeholder groups</p>	
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Table 68 – Overview of contributions to method, theory and practice

6.1 The Research Aim

The aim of this research was to undertake “An analysis of Intellectual capital within a social enterprise context”. In support of this aim three research questions were developed at the conclusion of the literature review demonstrated in chapter two, section 2.8. Research question one was stated as “Is there evidence of human capital employed within the organisation”? Research question two was stated as ‘Is there evidence of structural capital employed within the organisation?’ and the final research question was stated as ‘Is there evidence of relational capital employed within the organisation?’

The conceptual framework developed for this research was discussed in chapter two and it was stated to have been adapted from Sveiby’s (1997) intangible assets monitor model and Kong’s (2010b) intellectual capital constructs (see table 12). These constructs of human capital, structural capital and relational capital are congruent with each of the research questions. This framework was developed for use within social enterprises. Related, supporting questions which would ultimately be used in the data gathering exercise were also developed. Their development may be seen in table 12 and table 22 which provide additional justification for the question areas. In appendix 3.2, the actual questions which were administered through the data collecting exercise are demonstrated. Data pertinent to all of the intellectual capital constructs was discovered through the analysis. Chapters four and five set out these findings as relevant to the three individual intellectual capital constructs (sections 5.2 to 5.4) and their corresponding academic questions (sections 4.2 to 4.4). From this comprehensive analysis, the research is able to make the following assertions. In relation to the first research question “Is there evidence of human capital employed within the organisation?” it is argued that the phenomena of human capital was evidenced as being employed by the organisation. Specifically, the data discussed in section 4.2 and in section 5.2 highlights the elements of human capital discovered by the research. They were visually demonstrated in figure 9 in chapter four and discussed with more comprehensive analysis of the individual human capital codes

training, experience and the human capital theme discovered from the data transferred staff which were comprehensively discussed in sections 5.2.1 and 5.2.2.

In relation to the second research question “Is there evidence of structural capital employed with the organisation?” it is argued that the phenomena of structural capital was evidenced as being employed by the organisation. Specifically the data discussed in section 4.3.2 and in section 5.3 highlight those elements of structural capital discovered by the research. They are visually demonstrated in figure 13 and discussed more comprehensively in chapter five when the structural capital elements of age, pace, motivation, performance management and innovation (as seen in sections 5.3.1 to 5.3.4) were comprehensively analysed.

Finally, in relation to research question three “Is there evidence of relational capital being employed within the organisation?” this research argues that the phenomena of relational capital was evidenced as being employed by the organisation. Specifically, the data discussed in section 4.3.3 and section 5.4 highlight those elements of relational capital discovered by the research. These elements are visually displayed in in figure 17 and analysed comprehensively in section 5.4 when the relational capital elements stakeholders was discussed.

Therefore this thesis posits that evidence was found to positively state that each of the individual research questions has been answered, and that the overall research aim has been conducted successfully.

6.2 Key Research Findings

This section is included in order to present and evidence key research findings as identified by the analysis (sections 6.2.1 to 6.2.3).

6.2.1 Key research finding one

Whilst embarking upon this research minimal extant literature was discovered for intellectual capital focused within housing associations. This fact was stated in section 1.3 and highlighted by Kong (2010b) who stated that intellectual capital is applicable to all organisations, including not-for-profit organisations and who goes on to remark upon the paucity of research into intellectual capital within social enterprises. As this research progressed through its various stages over several years no additional literature specific to intellectual capital within housing associations was discovered and as such this research argues that its assertion that minimal academic research has taken place around intellectual capital within housing associations remains relevant and has not changed over the duration of this research.

6.2.2 Key research finding two

It was stated at the outset of this thesis (chapter one, section 1.0) that the organisation in which this research took place has not promoted the concept of intellectual capital in any fashion. Despite this, elements of the various intellectual capital phenomena as aligned to Kong's (2010b) three intellectual capital constructs were discovered to be employed within the organisation. These discovered elements were demonstrated in chapter five (figures 5.6, 5.7 and 5.13). This leads this research to state that even in organisation's that do not promote an intellectual capital approach, elements of intellectual capital are employed and may be demonstrated in action.

6.2.3 Key research finding three

As the findings of the analysis were discussed in chapter four it was noted that a number of the discovered elements were synergistic with more than one of Kong's (2010b) constructs as utilised in this research's conceptual framework. When classifying the intellectual capital elements it is not always easy to determine which construct the codes should be assigned to as some of them have synergy with multiple constructs. As an example, the code innovation could equally be placed in the human capital construct (as in this organisation the innovation is provided by people) although in this research it was placed in the structural capital construct in order to recognise that as a process, innovation is encouraged within the organisation.

Therefore this research states that intellectual constructs should be coded in context to the organisation being researched.

6.3 Implications for Theory and Practice

6.3.1 Contribution to Theory

A major contribution to theory is proposed through the development of the conceptual framework used in this research. This model, which is demonstrated in figure 8, proved a sound framework for undertaking intellectual capital analysis within social enterprises, and as such could be utilised in further intellectual capital research undertakings. It was developed through the adaption of two extant models, namely Sveiby's (1997) intangible assets monitor model and Kong's (2010b) intellectual capital constructs and further contributions to those models are also posited. The model itself is unique in that it was developed specifically for use within social enterprises and as such the structure of the framework (that is around the intellectual capital constructs of human capital, structural capital and relational capital) accords well with the three recognised constructs and associated question themes resulting from the development of Sveiby's (1997) intellectual capital indicators. Sveiby's (1997) extant intangible assets monitor model has been contributed to by demonstrating that it is capable of adaption to sectors other than that which it was initially developed for, that is, primarily private sector businesses.

Kong's intellectual capital construct as identified by Kong's (2010b) intellectual capital conceptual framework for innovation processes in social enterprises (see section 1.3.1, 4.2 and 5.2) was utilised empirically and found to be relevant and useful. This empirical testing of the model was called for by Kong (2010b) who wished to test the concept by further use of it, particularly in new sectors. This research has successfully tested this model in a new sector, that is, housing associations, and can report it was found to be valid in this context. Whilst the use of qualitative research methods to analyse intellectual capital in various organisations and sectors, were prevalent in the literature (identified in section 3.2.1), this research posits that its use with a housing association to discover and analyse intellectual

capital elements is novel. This form of qualitative research, that is a cross-sectional case study approach based upon document analysis, questionnaires and interviews was found to be methodologically sound as posited by Mesa (2010) and Ramirez (2010) and valid in the context of housing associations.

Throughout this research, it was stated that the prior literature on intellectual capital within social enterprises is limited and specifically within housing associations is non-existent. This research asserts that it has significantly made a contribution to theory for both social enterprises per se and housing associations specifically. Particular contributions to theory are now demonstrated. Benevene and Cortini (2010) comment on the relationship between structural and relational capital in third sector organisations and argue that not-for-profits generally recruit and promote staff who have experience within that sector. Benevene and Cortini state (2010) highlight the value of knowledge gained from actual experience. The analysis within this research did not support this assertion that not-for-profits prefer to employ staff with existing sector experience. Whilst table 33 demonstrated that questionnaire respondents had an average of eight years sector experience the management demographic who were interviewed (and by the nature of their position have responsibility for recruitment within their own departments) argued against existing sector experience. These interviewees as demonstrated in section 4.3.1 and section 5.2.1 rather called for experience in the role rather than sector, a mix of experience and business improvement experience as opposed to housing experience. Therefore, this author argues that a contribution to theory has been made by demonstrating that attitude to experience within social enterprises differs according to country and specific sector. Additionally, the recognition that a mix of experience is preferred by housing association senior managers is argued for as a considerable contribution.

During the coding stage of this research, training was noted as the most referenced code as demonstrated in figure 10. Table 38 demonstrates that respondents recorded that elements of this training were not recognised as effective. Mesa (2010) stated that not-for-profits generally have a confused approach to training. The questionnaire and interview respondents made numerous comments that support Mesa's assertion as demonstrated in section 5.2.1. Respondent Q22 went as far as stating they had "*...seen some really terrible training in the last couple of years...*" Therefore this research supports Mesa's (2010) concerns around training in not-for-profits and argues that it has contributed to theory by recognising and recording key issues around training in a sector different to that used in Mesa's original research (not-for-profit orchestras).

Kong and Ramia's (2010) research into intellectual capital within social service not-for-profits identified structural capital as complementary rather than a critical intellectual capital concept. Whilst this research was not biased towards any of the intellectual capital constructs structural capital was the construct with the most codes ascribed to it as demonstrated in figure 13 and figure 24. Additionally, the codes and themes associated with structural capital and as identified in section 4.3.2 and section 5.3 refer to critical organisational concepts such as strategy, culture, structure, performance and so on. Therefore, this research argues that structural capital is an important intellectual capital construct theoretically and should be ascribed equal status.

Reychav and Sharkie's (2010) study of employee trust and extra-role behaviour define this behaviour as that taken above and beyond the formal employment contract. Furthermore, Reychav and Sharkie (2010) go on to make a link between trust and motivation and set out their perceptions of trust model which may be seen in figure 25. Motivation, within the data, was highly coded and questionnaire respondents demonstrated their motivators as per table 54. Links between motivation emerged between culture, change and continuous improvement and these links along with the respondents demonstration that making a difference (see table 54) in the organisation was more of a motivator than financial reward positions motivation as an important

intellectual capital element. The empirical use of Reychav and Sharkie (2010) model provided data which allowed an adapted model to be developed which proved useful for this thesis, and could be used in future research within housing associations (see figure 26). Reychav and Sharkie's (2010) model was originally developed (see figure 25) by them for use within public sector organisations in Australia. This research has contributed to theory by identifying actual motivators and relating them to the elements of Reychav and Sharkie's trust model as demonstrated in figure 26 and has also contributed to the model's development by asserting that it was valid for use in social enterprise organisations and specifically housing associations in another country. The use of the adapted model in this research confirmed the importance of leadership within the organisation and as an emerging theme which demonstrated negative impacts associated with it will also allow the practical issue of trust to be discussed in section 6.4.3. This research argues that it has significantly contributed to theory by identifying several formal and informal methods to manage intellectual capital that are relevant to social enterprises per se and housing associations particularly see figure 27.

Sillanpaa et al. (2010) asserted that intellectual capital was a relevant organisational management method and identified its use in various organisations. This research took Sillanpaa et al.'s (2010) concept of the importance of recognising practices in managing intellectual capital (identified through their research into not-for-profit elderly care organisations) and utilised it for the gathered data, thus proving its relevance in the wider context of social enterprises. Discussion around the data may be found in section 4.3.2. This data coupled with the analysis of the performance management code in section 5.3.3 highlights the importance of performance management for the organisation and therefore it follows that the identified formal and informal methods of managing performance as identified by this research makes a contribution to theory. This research argues that Andriessen's (2004) assertion, that intellectual capital could be managed by either a balanced scorecard or intangible assets monitor approach, is relevant as this research's conceptual framework is based upon an adapted intangible assets monitor model and that the performance management framework alluded to in the organisation's strategy document

specifically states an intention to make use of a balanced scorecard method. This research supports their argument that the intangible assets monitor model, or more specifically in the context of this research, an adapted intangible assets monitor model is a credible way to manage intellectual capital within an organisation and the newly developed organisational performance framework that may be seen in figure 27 is offered as evidence.

Kong (2010b) suggested where innovation gains could be found in his conceptual framework for innovation processes in social enterprises model (that is in the intellectual capital construct overlaps) and this is recreated in figure 28. Innovation was a recurring theme in the data gathered for this research as may be seen in section 4.3.2 and was subject to comprehensive analysis in section 5.3.4. This research has developed these overlaps with actual examples from the data and these intellectual capital elements are offered as an identified development to Kong's original model. These developments may be seen in the adapted model demonstrated in figure 29, as developed by this research. In order to test and ultimately offer suggestions of how to build upon Kong's model the empirical testing was undertaken through a different lens to that used by Kong when developing a conceptual model. Kong undertook a theoretical approach and looked at organisations per se whilst this research took a practical approach by applying the adapted model with real data.

Fletcher et al. (2003) whilst mapping stakeholder perceptions for third sector organisations highlighted the particular importance of stakeholder groups to social enterprises. Diversity of stakeholder groups and the difficulty of being able to identify strategic issues were seen as contributing factors to their importance. The importance of stakeholders to this research is evidenced in section 4.3.3 where questionnaire respondents highlighted a good awareness of the diverse stakeholder groups identified. The diversity of identified stakeholders may be seen in figure 31. Analysis in section 5.4.1 demonstrated the importance of stakeholder groups and the recognition that their perceptions need to be managed. This research asserts that stakeholder mapping for social enterprises is a worthwhile exercise and the results with relevance to this research are demonstrated in figure 31. An additional

contribution is argued for as the stakeholder groups identified by this research will form a solid basis for future stakeholder research in social enterprise organisations.

Progressing from this identification of stakeholder groups the research made use of Frooman's (1999) stakeholder relationship model by using it empirically in the not-for-profit sector and classifying identified stakeholder groups according to that model the results of which are demonstrated in figure 32 in chapter five. Therefore this research asserts that it is beneficial to classify the identified stakeholders in order to gain an understanding of the power they may hold over the organisation. By undertaking this classification in a social enterprise context, and with real data, this research has adapted Frooman's (1999) model of resource relationships and has used its criteria to classify the organisations' stakeholders according to the power dynamic they possess.

Therefore this thesis argues that it has contributed to theory across all of the intellectual capital elements, by analysing them in a social enterprise context and that it has contributed to a number of extant models by adapting them for use in a social enterprise context and through the identification of empirical results within them. These contributions are referenced in table 68.

6.3.2 Contribution to Practice

In chapter one, this research (see section 1.3) stated that the concept of intellectual capital was a valid method of managing knowledge within the organisation with the objective of giving competitive advantage (section 1.4.1) through the optimum use of existing resources and through effective and efficient practices, thereby contributing to the Welsh economy. The value of how intellectual capital concepts may make a practical contribution to practice was ably demonstrated by Nurmi (1998) who suggests that knowledge must be acted upon in order to effect change within organisations and states the ineffectiveness of passive information and this was diagrammatically represented in Ackoff's figure 1.

As the data was being coded, recurring themes were noted across all of the intellectual capital constructs and these themes are deemed relevant to contributions to practice. This section will argue how they provide a contribution to practice. The analysis indicated that this organisation undertakes a significant amount of training, the usefulness of which was called into question by several respondents. Issues of relevance and effectiveness were demonstrated in tables 29 and 30 and through analysis in section 5.2. The data as demonstrated in these tables record that the training given is perceived as relevant to the organisation (81%) as opposed to personal development for individuals and that its overall effectiveness could be enhanced. The importance of effective training interventions was highlighted by Benevene and Cortini's (2010) who made the assertion that it is possible for an organisation to increase human capital by developing the skills of current staff. The relevance of this assertion being that increased activity of the elements of human capital (indeed any of the intellectual capital constructs) leads to improved use of resources and possible competitive advantage. Therefore, this research asserts that the administration of training courses within the organisation is reviewed and that a clear distinction between required organisational training and personal development is made to staff. This will set their expectations of any further training interventions and by doing so make the training delivered more effective. Specifically there is scope to move away from mandatory organisational training (aided by the fact that the organisation is maturing) such as organisation wide fire safety courses to a more directed approach to specific courses tailored to individuals leading to personal development. An example of this approach may be seen as a specific training intervention being developed for an individual who has identified (or their manager has identified) a requirement to train on a new computer package. This directed approach would also compliment the new 'e learning' package introduced into the organisation as this would allow individuals to take courses on a computer platform and not have to attend classroom training. This author suggests that this constitutes a contribution to practice.

A recurrent theme that emerged from the data was that of transferred staff as evidenced in section 5.2.2. The context of this theme refers to issues with staff who transferred into the organisation from the local authority upon its inception, and who appear to have retained a negative culture and approach to service delivery. The data demonstrated in section 5.2.2 in chapter five highlighted links between transferred staff and another recurring theme negative staff attitude. Likewise relationships within the data could be seen for transferred staff and culture and motivation. Kong (2010b) asserted that to be efficient not-for-profit organisations need to be able to flexibly adopt and act upon new knowledge. Kong goes on to highlight the importance of being able to remove outdated and unwanted knowledge as an important part of this process. With this statement in mind, this research argues that a significant contribution to practice (in terms of improved culture, motivation and less impact of negative staff attitude) will be achieved if this group of staffs' behaviours could be understood and changed to be congruent with the values of the organisation. Specifically this research could compliment work being undertaken within the organisation currently around attitudes and culture as discovered by a recent staff survey (the survey was undertaken sometime after this research). The results of this survey have supported this research's assertion that there are cultural issues within the organisation and it is currently looking at developing a series of interventions to promote a more positive culture specifically in the teams where transferred staff are prevalent.

The age and pace of the organisation were themes that emerged from the data in section 4.3.2 and from the analysis in section 5.3.1 and it is restated here that at the time the research was undertaken the organisation was relatively new, being just three years old. West and Noel (2009) argue that an organisations performance is based around its maturity and willingness to take advantage of opportunities within its own market. This assertion offers some explanation to the stage of development of intellectual capital in relation to the age of the organisation. From the analysis, a number of important themes could be seen as related to both age and pace and these included structure, culture, attitude to change and process. Kong and Ramia's research identified that structural capital is often seen as complementary rather than as an

important intellectual capital concept. This research identifies structural capital as an important intellectual capital construct theoretically, and also identifies several practical issues that the organisation may wish to investigate particularly structure, culture, attitude to change and a concept central to structural capital itself, process. As an example if the organisation is able to transform the attitude to change, it would benefit from enhanced flexibility and smoother change transitions in the future. Therefore this thesis asserts that the age of an organisation, and the pace of its maturity affect the level and effectiveness of intellectual capital phenomena within it.

With reference to practice, this research has identified a number of areas worthy of further investigation and these include the holistic perception of innovation, importance of leadership and the negative influence of the board and their relationship with the executive team. On a positive note a number of beacon departments were identified as innovative (information technology, assets and regeneration teams) and these are worthy of further investigation in order to disseminate elements of good practice. With regards to contribution to practice this research acknowledges how useful Frooman's (1999) model is in order to classify the organisation's stakeholders according to power and interdependency dimensions. It is also useful in being able to facilitate the formation of stakeholder management strategies which could be focused upon the concerns of a number of respondents in terms of the demographics of involved stakeholders and therefore concerns over how residents are being represented by these individual stakeholder groups. Specifically this information will be useful if used to fully identify the age ranges of the involved residents with a view to ensure that all age groups are being represented. The data would show which groups are under-represented and allow a targeted approach to engaging with them.

6.4 Limitations and Further Research

6.4.1 Limitations

The age of the firm has dictated that performance management reporting per se and the use of scorecard or intellectual capital measurement frameworks have not been developed. Therefore, this research necessarily investigated those elements of intellectual capital or the phenomena associated with and how they were employed within the firm despite the lack of a formal intellectual capital approach. A further limitation was the limited amount of extant literature and research for the topic of intellectual capital with housing associations. This necessitated a conceptual link to social enterprises, a sector that housing associations fall within, were chosen as the focus of the research and they in themselves could demonstrate only limited previous evidence of research. Kong and Ramia (2010) warned that not-for-profits are not a homogeneous group and therefore every care has been taken within the research not to succumb to Reychav and Sharkie's (2010) danger of over generalising research.

On reflection a further limitation of the research could be seen to be that all of the data collected and analysed was gathered from internal stakeholders. This lack of the views of external stakeholders may have failed to capture pertinent data that may have added to or indeed amended the overall analysis of a number of codes, particularly those associated with the element of relational capital. In order to mitigate against this possibility it is suggested that further research (section 6.4.2) on intellectual capital within the organisation, from an external perspective would be valid.

A lack of previous research is stated as a limitation here, due to the difficulty that would be involved in making comparisons from the thesis findings directly to intellectual capital research within other housing associations. This research has been cross-sectional in approach and that coupled with the age of the organisation may have limited the amount of intellectual capital elements identified. This was specifically be the case around performance management as the model to be used in the organisation is recently developed and not yet implemented as demonstrated in figure 27. It is prudent to assume that if this research had been undertaken in a mature

organisation then a greater number of intellectual capital elements would have been discovered in use and some of the concerns of the respondents would not have been valid, particularly around transferred staff and leadership. Likewise as stated throughout the research this organisation does not promote the concept of intellectual capital. Research into another housing association where intellectual capital is promoted and employed is likely to have returned a different set of results and therefore the ability to generalise these results may be limited.

An additional limitation is that this research majored upon how intellectual capital could give an organisation competitive advantage rather than expanding this view to encompass strategic advantage. The importance of this being that whilst competitive advantage can be thought to benefit an organisation in the 'here and now' through efficiency or differentiation (see section 2.3), the concept of strategic advantage aims to utilise resources to create new opportunities and shape an organisation's future (Kong, 2010b). The relevance to this organisation being that it is new, and is therefore in a state where the future direction it wishes to travel in, and what it wants to achieve as a social enterprise is an important issue it needs to address.

6.4.2 Further Research

In chapter one, the increasing popularity of large scale voluntary stock transfers was outlined along with the Welsh Government's (section 1.1.1) decision to adopt a collaborative approach which may be deemed dichotomous as housing stock transfer organisations are effectively 'spin-offs' from local authorities. As stated by Making the Connections: Delivering Better Services for Wales (2004) this is at variance with Welsh Government's dismissal of a competitive model of housing for Wales where they dismissed breaking up large-scale organisations into smaller bodies with delegated budgets and a greater degree of freedom as providers. Future research based upon the success of large scale voluntary stock transfers in terms of the extent to which they met the expectations placed on them by Welsh Government, would be useful for the sector generally. If these measurements were undertaken with an intellectual capital model, this would add to this research and to the extant academic

literature available relating to housing associations. Moreover, it would be useful for further research to be carried out to empirically test the theoretical arguments found by this research. Specifically, around issues of trust within housing associations as per Reyhav and Sharkie's (2010) research which was extended by this research. Additionally, it should be noted that this research was undertaken from an insider's perspective. To complement and test this research, it would be useful to extend it, with reference to the three intellectual capital constructs, from a different perspective such as those of stakeholders such as residents or board members.

6.5 Conclusion

This research was undertaken to extend the understanding of intellectual capital in social enterprise organisations generally and housing associations specifically. As stated at the commencement of the research there was no extant academic literature found for intellectual capital within housing associations and a limited amount available for intellectual capital within the wider social enterprise sector. By the adaption of existing models a useful conceptual framework was developed (table 12) that can be seen to add to theory and provide examples of intellectual capital elements in use within organisations that would benefit from further research into issues of practice. The research itself took place in an organisation that had not explicitly promoted intellectual capital as a concept and yet the phenomena of intellectual capital elements associated with its three identified constructs was evidenced as in use within the organisation. Therefore, with the evidence gathered from this analysis, this thesis asserts that it answered the individual research questions and the overarching research aim.

Personally, the journey involved in undertaking this research has been a rewarding one. It has given me a greater insight into the domain of intellectual capital generally and into how specific elements of intellectual capital may be used practically within the organisation in order to affect positive change. The act of gathering the data and the interactions with colleagues as it was gathered was particularly stimulating and it

was illuminating to then transcribe and analyse the collected data in order to form a picture of how the intellectual capital constructs integrate with each other.

This journey has given me a valuable insight into intellectual capital, my personal research preferences and into the art of research itself. I look forward to making use of my findings to promote the positive practical benefits of intellectual capital within housing associations and to seek to make a contribution to the academic domain of intellectual capital. Undertaking this research has provided me with equal measures of challenge and enrichment neither of which will be forgotten lightly.

Overall List of Appendices

Appendix 3.1 – Intangible assets monitor model

	Intangible Assets Monitor	
External Indicators	Internal Indicators	Competence Indicators
Indicators of Growth <ul style="list-style-type: none"> • Organic Growth 	Indicators of Growth <ul style="list-style-type: none"> • Investment in IT • Investment in internal structure 	Indicators of Growth <ul style="list-style-type: none"> • Competence index • Number of years in profession • Level of education • Competence turnover
Indicators of renewal / innovation <ul style="list-style-type: none"> • Image enhancing customers • Sales to new customers 	Indicators of renewal / innovation <ul style="list-style-type: none"> • Organisation enhancing customers • Proportion of new products / services • New processes implemented 	Indicators of renewal / innovation <ul style="list-style-type: none"> • Competence enhancing customers • Training and education costs • Diversity
Indicators of efficiency / utilisation <ul style="list-style-type: none"> • Profitability per customer • Sales per customer • Win / loss index 	Indicators of efficiency / utilisation <ul style="list-style-type: none"> • Proportion of support staff 	Indicators of efficiency / utilisation <ul style="list-style-type: none"> • Proportion of professionals • Leverage effect • Value added per professional • Value added per employee • Profit per employee • Profit per professional
Indicators of risk / stability <ul style="list-style-type: none"> • Satisfied customers index • Proportion of big customers • Age structure • Devoted customer ratio • Frequency of repeat orders 	Indicators of risk / stability <ul style="list-style-type: none"> • Values / attitude index • Age of the organisation • Support staff turnover • 'Rookie' ratio • Seniority 	Indicators of risk / stability <ul style="list-style-type: none"> • Professionals pay • Relative pay • Seniority

Appendix 3.2 – Questions utilised in the questionnaire

Intellectual Capital Survey

The questions on this page are designed to elicit information around YOUR experience, training, education and knowledge relevant to the role you do.

1. Please enter the area of the organisation you work for.

- | | |
|---|--|
| <input type="radio"/> Housing Services | <input type="radio"/> Communication & Governance |
| <input type="radio"/> Regeneration & Community Engagement | <input type="radio"/> Finance |
| <input type="radio"/> Neighbourhood Services | <input type="radio"/> IT |
| <input type="radio"/> Asset Management | <input type="radio"/> Executive Team |
| <input type="radio"/> Property Investment | <input type="radio"/> Business Improvement |
| <input type="radio"/> Human Resources | |

2. Please choose your role

- | | |
|----------------------------------|---------------------------------------|
| <input type="radio"/> Assistant | <input type="radio"/> Manager |
| <input type="radio"/> Officer | <input type="radio"/> Head of Service |
| <input type="radio"/> Supervisor | <input type="radio"/> Executive |

3. Please indicate your age range

- | | |
|--------------------------------|-----------------------------------|
| <input type="radio"/> 18 to 29 | <input type="radio"/> 50 to 59 |
| <input type="radio"/> 30 to 39 | <input type="radio"/> 60 and over |
| <input type="radio"/> 40 to 49 | |

4. Please enter your gender

- | | |
|----------------------------|------------------------------|
| <input type="radio"/> Male | <input type="radio"/> Female |
|----------------------------|------------------------------|

5. Have you heard of the term 'knowledge management'?

- | | | |
|---------------------------|--------------------------|----------------------------------|
| <input type="radio"/> Yes | <input type="radio"/> No | <input type="radio"/> Don't know |
|---------------------------|--------------------------|----------------------------------|

6. What does or what do you think 'knowledge management' means?

7. Please note down any examples of knowledge management you have noticed within the organisation, or enter NONE.

8. Knowledge Management is comprised of a range of strategies and practices used to identify, create and enable innovation and best practice for the organisation.

Please rate how effectively you think the organisation makes use of 'knowledge management'.

	Very effectively	Effectively	Somewhat effectively	Not effectively
You	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Your department	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

9. Have you heard of the term 'intellectual capital'?

Yes No Don't know

Please add any additional comments

10. What does or what do you think 'intellectual capital' means?

11. Intellectual Capital uses staff, systems and stakeholder relationships to improve organisational performance.

Please rate how effectively you think the organisation makes use of 'intellectual capital'.

	Very effectively	Effectively	Somewhat effectively	Not effectively
You	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Your department	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Please note down any examples of intellectual capital you have noticed within the organisation, or enter NONE.

13. How do you believe the organisation attracts / retains and rewards staff?

	Better than average	Average	Worse than average
Attracts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Retains	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rewards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. What is your length of service? (Please input the number of years (rounded up) e.g. 3)

In your current role

In this organisation

In the housing sector

15. What is your highest level of educational attainment?

Please add any additional comments

16. Do you belong to a professional body? (E.g. Chartered Institute of Housing / British Computer Society)

Yes No

Please add any additional comments

17. Do you have vocational qualifications related to the role you undertake? (E.g. Microsoft CNA etc.)

Yes No

Please add any additional comments

18. Do you regularly receive training? Please tick all that apply.

Relevant to your profession Relevant to your department Relevant to the organisation

Comments

19. How effective do you rate the training?

	Very effective	Effective	Somewhat effective	Not effective
Personal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Departmental	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organisational	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add comments

20. In this organisation have you ever been nominated / shortlisted or received a professional award? Please tick all that apply.

Personally

Departmentally

21. How effectively are staff used?

	Very effectively	Effectively	Somewhat effectively	Not at all effectively
By you	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In your department	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organisationally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add comments

Intellectual Capital Questionnaire

This page elicits information about the organisation

22. Are you aware of the organisation's values?

Yes

No

Please add any additional comments

23. Do you believe these values are followed?

	Very effectively	Effectively	Somewhat effectively	Not effectively
By you	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By individuals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By your team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
By the organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments

24. Please rate your awareness of the overall organisational strategy?

	Fully aware	Good awareness	Some awareness	No awareness
Please rate how aware you are	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

25. How aware of your departmental strategy are you?

	Fully aware	Good awareness	Some awareness	No awareness
Please rate how aware you are	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

26. How relevant do you believe your personal objectives are in reference to those of the organisation?

	Very relevant	Relevant	Some relevance	No relevance
Please rate relevance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any further comment ?

27. How relevant do you believe your personal objectives are in reference to those of your department?

	Very relevant	Relevant	Some relevance	No relevance
Please rate relevance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any further comment ?

28. Do you believe the organisation makes the appropriate levels of investment?

	Yes	No	Don't know
Organisationally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In your department	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

29. Do you hold a budget?

Yes No

Please add any additional comments

30. Do you have responsibility for staff?

Yes No

Please add any additional comments

31. Rank the following motivators.

	Highly motivates me	Motivates me	Somewhat motivates me	Does not motivate me
My pay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My benefits package (flexi etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stability and job security	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Variety of my role	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being treated well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supportive colleagues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supportive management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A sense of pride in my achievements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Making a difference	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Any comments?

32. Please note any factors that demotivate you.

33. For other staff, using your perception, please rank levels of motivation.

	Highly motivated	Motivated	Somewhat motivated	Not motivated
Your department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Any comments?

34. In terms of innovation, do you think the organisation is ...

Forward thinking
 Backward looking
 Don't know

Please comment on your choice of answer

35. Where are the greatest levels of innovation?

	Excellent level of innovation	Good level of innovation	Basic level of innovation	Poor level of innovation
Individually	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Departmentally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organisationally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Any comments on innovation?

36. How aware are you of the organisational key performance indicators?

	Very aware	Somewhat aware	Aware	Not aware
Organisation Wide	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Departmental	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

37. Please rate your level of awareness of ELECTRONIC systems in use within the organisation

	No awareness	Some awareness	Aware	Very aware
Please rate your level of awareness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

38. Please rate your level of awareness of MANUAL systems in use within the organisation

	No awareness	Some awareness	Aware	Very aware
Please rate your level of awareness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

39. Do you believe you have sufficient levels of access to these systems?

	Yes	No	Don't know
Electronic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manual	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Additional comments

40. Overall how easy are these systems to use?

	Not easy at all	Somewhat easy	Easy	Very easy
Please rate ease of use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please enter any comments you may wish to make

41. How effective do you believe these systems are?

	Very effective	Somewhat effective	Effective	Not effective
Electronic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manual	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

42. How effective do you rate the following for the organisation:

	Very effective	Effective	Some what effective	Not effective
Policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Departmental strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

43. Please rate your personal ability to influence system change (manual and electronic)

	Much influence	Appropriate influence	Some influence	No influence
Please rate level of influence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please enter any comments you may wish to make

44. Please rate how you perceive levels of flexibility to change

	Much flexibility	Appropriate flexibility	Some level of flexibility	No flexibility
Organisationally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Departmentally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Colleagues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yourself	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please enter any comments you may wish to make

45. How effectively do you believe the organisation shares its knowledge?

	Very effectively	Effectively	Somewhat effectively	Not effectively
Within your team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Across teams	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organisation Wide	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

46. How effectively do you believe YOU share knowledge?

	Very effectively	Effectively	Somewhat effectively	Not effectively
Within your team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Across teams	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organisation Wide	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

47. Please highlight all the knowledge sharing mechanisms within the organisation that you are aware of

- Intranet
- Internet
- Email
- Departmental meetings
- Specific topic meetings
- One to One meetings with manager
- Informal conversations with colleagues

Please add any additional comments

48. How effective do you believe these mechanisms are for sharing knowledge?

	Very effective	Effective	Somewhat effective	Not effective
Intranet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Email	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Departmental meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Specific topic meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
One to One meetings with manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Informal conversations with colleagues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments

49. Are you aware of any further mechanisms in place that help share knowledge within the organisation?

50. Do you believe anything hinders knowledge sharing within the organisation?

Intellectual Capital Questionnaire

This page elicits information around your interactions with organisational STAKEHOLDERS

51. Which of the following stakeholder groups are you aware of? Please tick all that apply.

- Residents
 Board members
 Other
 Panel members
 Partner agencies

Other (please specify)

52. Which of these stakeholder groups do you personally have contact with? Please tick all that apply.

- Residents
 Board members
 Other
 Panel members
 Partner agencies

Other (please specify)

53. Please indicate which form of contact method you use for each group of stakeholders. Please tick all that apply.

	Residents	Panel Members	Board Members	Third party agencies
Letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Email	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Face to Face	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please add any comments you would like to make

54. How effective do you rate these contact methods?

	Very effective	Effective	Somewhat effective	Not effective
Letter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Email	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telephone	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Face to Face	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add additional comments

55. Do you represent the organisation at external events? Please tick all that apply.

- | | |
|---|---|
| <input type="checkbox"/> Resident Events (e.g. Resident Festival) | <input type="checkbox"/> Panel Events (e.g. City Wide Panel) |
| <input type="checkbox"/> Surgeries (e.g. problem solving meetings, requirements gathering meetings) | <input type="checkbox"/> Board Events |
| <input type="checkbox"/> Annual General Meetings | <input type="checkbox"/> Peer Events (e.g. Cymru Housing networking events) |

Other (please specify)

56. What externally published documents are you aware of? Please tick all that apply.

- | | |
|--|---|
| <input type="checkbox"/> Organisational Strategy | <input type="checkbox"/> Annual Report |
| <input type="checkbox"/> Board Minutes | <input type="checkbox"/> Departmental Reports |

Other (please specify)

57. What methods of publicising external documents are you aware of?

- | | |
|---|-----------------------------------|
| <input type="checkbox"/> Mailshot | <input type="checkbox"/> Internet |
| <input type="checkbox"/> Advertising (at events etc.) | <input type="checkbox"/> Other |

Other (please specify)

58. Are you involved in either of the following activities? Please tick all that apply.

- | | | |
|---|---|--------------------------------|
| <input type="checkbox"/> Producing content for external consumption | <input type="checkbox"/> Promoting documents externally | <input type="checkbox"/> Other |
|---|---|--------------------------------|

Other (please specify)

Appendix 3.3 – List of questions given to interviewees

Note – Main questions are in bold. Bullet points denote possible prompts.

What can you tell me about the nature of your department? How does it add value for the organisation?

- Is there anything specific in place within this organisation that allows value to be added?
- Is that organisation wide, or does it happen better in some areas of the organisation than others?

Tell me about the range of experience within your department.

- Building upon that what is important? Is it the knowledge they have of housing itself, or the knowledge they have specific to their roles?
- What experience is it that makes your team successful? Housing or role specific knowledge?

The results of a previous questionnaire suggested that people think this organisation undertakes a large amount of organisational training. Would you agree?

- So you don't think a lot of it is particularly relevant to your role?
- Do you think enough money is spent on specific individual training?
- How effective do you think induction training has been within the organisation?
- Within your team, have there been any examples of colleagues getting internal promotions?
- Do you have any views on internal promotions or succession planning in general?
- Do you have any agency or contract staff within your department?
- Do you think they make an effective contribution?
- What's the staff turnover rate like within your department?

Moving on to motivation. How does this organisation encourage its personnel?

- Generally what do you think the organisation does to motivate its staff?
- Do you mean look internally rather than externally to solve our problems?
- It's more than money that motivates individuals. What do you think motivates you?
- Are there any areas of the organisation that stand out as particularly motivated, or indeed de-motivated?
- Is there anything in particular that demotivates you?
- Ok, let me expand the question. Are there any particular teams that seem demotivated to you?
- You touched on this earlier. Results from my previous questionnaire suggested either a real or perceived difference in motivation between new staff and those that transferred over from the Council. Have you had any experience of that?

- Are you aware of any interventions currently in place to try to overcome this feeling of ‘bad attitude’?

In terms of the performance of your department. How is it managed? Are your objectives relevant, do they fit with the department’s, do they link in with the organisation’s objectives?

Have you ever heard of the phrase intellectual capital?

- What does it mean to you?
- Could you give any examples of intellectual capital in use, be it individuals, departments or the organisation generally?

How would you describe the how the organisation is made up? Its structure and culture?

- Generally, do you believe communication within the organisation is effective? Individually, departmentally?
- What’s the dominant way of working? Team work, individuals doing their own thing?

What is your involvement with the strategies and policies and procedures that are in place within the organisation?

- How are they communicated? What channels are used?
- How would you describe your level of knowledge of your departmental strategy?
- What are your thoughts about documentation within the organisation generally?

What tools are you aware of within the organisation to manage performance?

- You mentioned you were au fait with the objectives of your department. What level of knowledge do you have of the organisational objectives?
- Are you aware of any barriers in place that may prevent these objectives being achieved?
- Do you think enough money is invested in achieving the objectives?
- Do you have any departmental key performance indicators that you are aware of?

What are your views on the organisation’s values?

What methods of communication do you make use of?

- Do you think knowledge is communicated effectively within the organisation?
- What do you think possible resistance to sharing knowledge could be?
- Do any individuals or teams stand out as being particularly adept at communicating their knowledge?
- Do you consider standalone, manual systems to be effective?
- My questionnaire suggested a possible concern with bureaucracy. Do you believe the organisation is particularly bureaucratic?

Is technology used effectively within the organisation?

- Is the organisation flexible enough to restructure and adapt to the need for change?

Are working practices and processes within the organisation effective?

- Are there any process champions within the organisation?

Do you think the organisation could be classed as innovative?

- Do you and your team have the tools needed to be effective in your role?

Is continuous improvement promoted within the organisation?

Do you rely on any particular departments or individuals in order to get your job done?

Do you represent the organisation externally?

- Does the organisation gain any advantage because of this external representation?
- Does your department have a direct relationship with tenants?
- What customer forums within the organisation are you aware of?
- What channels of communication are you aware of?

What externally published documents are you aware of?

- Are you aware of any other type of external advertising we undertake?
- What do you think are the positives of effective external relationships?

Is there anything else you would like to say?

Is there anything you would like to say about this interview?

Key – Bullet points refer to possible probes

Appendix 3.4 – Request for Permission to Undertake Study

(A copy of this statement was presented to a member of the firm's executive team, and verbal permission was given to proceed in line with it).

As part of my doctoral studies I am seeking permission to undertake a number of questionnaire surveys (approx. 35) and 10 more in-depth interviews with staff. The study is based upon understanding the levels of knowledge management and intellectual capital found in individuals, departments and the organisation as a whole. In terms of the responses and end results, both the organisation and the individuals, will remain anonymous and in order to conform with the ethical research policy of the University of Glamorgan I will only involve people who are willing to participate, will allow them to withdraw from the study at any time, and will ensure that all data is stored safely and will be destroyed at the end of the study.

In order to have the least possible impact to the organisation I propose to undertake the questionnaires by gaining prior consent to be surveyed from the individuals (thus not bothering those who aren't interested with emails etc.) and administering these questionnaires to the personal email addresses of those who wish to be involved. The interviews are again subject to the permission of individuals (and subject to them agreeing to be taped) and I propose to undertake these with Heads of Service and Managers of the organisation at Nexus House, and again in order to lessen the impact to the organisation I would seek to combine these interviews with the regular meetings I have with these individuals to discuss budget setting and service requirements.

Appendix 3.5 – Documents used for Document Analysis

Name of Document	Description of Document
Organisational Strategy	Complete strategy of the firm, dated 2011
Annual Review	Review of operations and progress towards the Welsh Housing Quality Standard. Dated 2011
Resident Participation Strategy	Document outlining how the firm will interact with its customers, partners and governing bodies. Dated 2010
IT Strategy	Document outlining how information and technology will be used strategically within the firm. Dated 2009 and updated 2011

Appendix 3.6 – Extract of Researcher’s Ethical Statement

Ethical statement:

"The material obtained through the interviews undertaken in this research will be held confidentially. No data will be directly attributable to the person interviewed either in the project report or in any correspondence or face to face contact between the researcher and the organisation which employs the interviewees."

"To respect the autonomy of those providing data, the interview transcripts will only be accessible to the researcher and those who will assess the Doctorate of Business Administration. Only anonymous extracts and summaries of the data will be included in the main body of the Doctorate of Business Administration and in any material which is to be used within the public domain (e.g. Conference papers and discussions in the research community"

"All respondents have the right to request access to the recordings, transcripts and notes which relate to their individual contribution to the research including their completed questionnaires. All data will be stored in a secure location in the researcher’s home office and the data will be destroyed following completion of the assessment process of the study."

"All participants in the study will be assured that their participation is purely voluntary. It will be made expressly clear, in the initial invitation to participate, that the fact that the researcher is a manager in their organisation does not mean that this request comes from the organisational management. The researcher will ensure that all participants recognise that this is a piece of personal research being undertaken by the author himself in an individual capacity."

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