Creativity and Structure in Irish Architectural Practices: an Exploration of the Symbiotic Relationship between Structure and Creativity in Irish Architectural Practices with International Offices

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Creativity and Structure in Irish Architectural Practices:

An Exploration of the Symbiotic Relationship between Structure and Creativity in Irish Architectural Practices with International Offices.

By

Áine Rooney

THESIS

Submitted in partial fulfilment of the requirements for the Degree of Master of Arts in Professional Design Practice

School of Art, Design and Printing, Faculty of Applied Arts
Dublin Institute of Technology, 2009
Abstract

This enquiry is concerned with exploring creativity within Irish architectural practices with overseas offices. Specifically, the thesis seeks to determine how strategic choices in relation to structure can deliver competitive advantage through increased organisational creativity. In gathering data and reviewing the findings from the research, the study ultimately seeks to develop recommendations for best practice guidelines for optimal organisational structure for Irish architectural practices which supports creativity. In doing so it seeks to solve a real world problem, significantly contributing to professional practice in the area.

The current status of the sector in Ireland is presented in order to outline the context in which Irish architectural practices are operating. The relevance and value of structure and strategy within an organisation is explored. The strategic choices companies make in order to secure competitive advantage and how they align their organisational creativity to best deliver new products or services is examined. This is achieved drawing on best practice and current theories explored in the literature.

The research approach taken to this study is outlined in order to verify its credibility, ensure the reliability of the approach, transparency of methods, and minimise bias. Validation of the chosen method of interview is made given the nature of the knowledge being sought. The interview process is broken down into several stages. The key points of the primary data are presented. The meaning of the primary data is uncovered by interpreting the interview transcripts and together with the literature.

Assertions about what phenomenon can be presented are outlined in the conclusions which can be drawn and recommendations made for best practice guidelines. The guidelines presented offer benefits to commercially driven architectural practices in supporting creativity within their organisations for competitive advantage. The recommendations outlined in the study can assist architectural practices driven by innovation and creativity by outlining the benefits of taking a more strategic approach organisational structure without impeding creativity. Potential avenues for further research are also outlined.
Dedication

I dedicate this study to my husband Tom, sons Anraoi, Lorcan and Hugh Rooney, and parents Tim and Carmel O’Neill.
Acknowledgements

I would like to acknowledge the help given to me during the course of this enquiry.

First are foremost, I would like to thank my thesis supervisor Ms. Louise Reddy for her patience, guidance and sound advice throughout the course of this study.

For their time, openness and honesty during interview, thank you to Mr. Paul O’Brien from Henry J. Lyons and Partners, Mr. Hugh Wallace from DW², Mr. Calbhae O’Carroll from MOLA and Mr. John O’Mahony from O’Mahony Pike.

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Chapter 01 | Introduction

1.1 Background

The need to change and innovate arises when there is a shift in economic circumstances and changing marketplace. The Irish economy is currently restructuring in order to face the most difficult global economic circumstances since the foundation of the state (Government of Ireland, 2008, IBEC, 2009, Department of the Taoiseach, 2009). In the future, Irish companies will have to look further afield in order to benefit from opportunities that exist beyond the island of Ireland. Government agencies such as Enterprise Ireland proactively assist in developing Irish companies trade internationally (Enterprise Ireland, 2007). Internationalisation of locally traded services is seen as vital to Ireland’s economic growth. Opportunities exist for services generally and specifically for creative services (Forfas, 2004, Enterprise Ireland, 2007). However, while opportunities exist internationally, there are also threats which must be addressed. In the face of globalisation, the design sector in Ireland will be threatened by external competition, and so the need to work further afield and become more competitive is critical (InterTradeIreland, 2009). This need to internationalise the sector was identified up to ten years ago (Bradley McGurk Partnership, 1999).

Globally, countries are working to re-shape the post-crisis world brought about by severe economic decline (Department of the Taoiseach, 2009, Schwab, 2009). While in Ireland the Government has set forth a framework on how to build Ireland’s Smart Economy. In that plan, priority is to be given to assisting in the restructuring the construction sector which has been severely impacted by economic downturn (Government of Ireland, 2008, DKM Economic Consultants, 2009). When an industry restructures, those servicing that industry need to change their strategies and structures to adapt quickly and with flexibility.

Servicing the construction sector, architectural practices have experienced rapid change and have downsized accordingly (Royal Institute of the Architects of Ireland,
During the Celtic Tiger years (mid-1990s – 2007) Irish architectural practices thrived. Since then they have been impacted by the decline in the economy in Ireland. In particular, the dramatic decline in the construction industry has caused a rapid reduction in the demand for architectural services. There has been a decline in the numbers of new projects coming online and some existing projects have been placed on hold. This fall is affecting the industry generally evident through the high level of redundancies currently being experienced within the sector (Royal Institute of the Architects of Ireland, 2009).

Irish architectural practices with overseas offices are well-positioned geographically to trade internationally and build competitive advantage in the face of a declining home market (Royal Institute of the Architects of Ireland, 2009). Some larger Irish architectural practices seeking international work have already established multi-city offices (Fitzgerald, 2006, InterTradeIreland, 2009). Those practices that have already begun to look overseas are building on the expertise and knowledge gained through working in Ireland during the Celtic Tiger years. These practices face additional challenges and opportunities which come about as a result of responding to tougher trading conditions in Ireland and seeking out new sources of work abroad.

Creativity is critical for industries to survive and prosper in this challenging global trading environment which demands rapid change and creative solutions faster than before. Creativity is the human engine behind innovation which is so important to survival of companies going forward in difficult times. However, for companies to innovate they must provide the conditions for creativity to thrive (Hordon, 2007, Von Stamm, 2003). This is a strategic choice made by companies pursuing this end. Strategic choices the company makes are implemented into action by those working in the company.

The adoption of a strategic position towards organisational creativity increases a company’s ability in the translation of ideas into valuable processes, products and services - generating competitive advantage and wealth for the company. Strategy is implemented by a company’s structure. There is no one organisational structure that is best suited to delivering creativity but there are elements of a company’s structure that
inhibit or enhance it. It is therefore imperative for organisations to be aware of what these are.

To benefit from internationalisation employees/specialists in one location need to assist other specialists in other locations in order to take full advantage of their knowledge and expertise (Bartlett and Ghoshal, 2002). Architectural companies need to consider how formal and informal structures can support the implementation of their strategies, allowing staff to work together collectively across boundaries to benefit and learn from each other, creating new products and services for competitive advantage.

1.2 Research Question

How can strategic choices in relation to structure deliver competitive advantage through increased organisational creativity in Irish architectural practices with international offices?

1.3 Aim

The ultimate aim of this project is to develop best practice guidelines for optimal organisational structure of Irish architectural practices that supports creativity which can thereby enhance competitive advantage.

1.4 Objectives

In order to successfully address the research question and structure the study, the following objectives have been identified:

- Examine the current status of architectural practice in Ireland.
- Investigate the relationship between structure and strategy implementation identifying the influences on organisational structure.
- Explore the concept of organisational creativity for competitive advantage, identifying variables that inhibit and enhance this desired state.
• Analyse the relationship between structure and creativity within the organisation.
• Examine data gathered and determine elements of organisational structure, appropriate to Irish architectural practices with international offices, which affect organisational creativity.

1.5 Context

This study has potential value to owners and managers of Irish architectural practices whose business plans need to be revisited given a changed marketplace. A recent survey projected 41% of architects have lost their jobs in the period between January 2008 to March 2009 (Royal Institute of the Architects of Ireland, 2009). For those practices that remain, it is critical that they consider how they restructure if they wish to take advantage of opportunities to trade internationally which may arise. Their ability to work together formally and informally to deliver creative solutions, products and/or services to their clients will differentiate them from others.

Similarly, this enquiry can be of interest and applicable to other design companies facing similar challenges (InterTradeIreland, 2009) or companies who need to change rapidly and innovate. As companies attempt to keep up to date with rapid change and new technologies they need to not only innovate new products, they also keep redesigning their organisational structures so that they remain as innovating organisations (Seely Brown, 1998).

In an attempt to secure Ireland’s position in a global economy there is an increasing emphasis placed within Government policy to stimulate and develop a ‘smart economy’. The main focus of this study is to explore ways of stimulating competitive advantage of organisations in a knowledge based sector of architecture. Therefore relevant state agencies could potentially use the findings from this study to determine ways that can better support or enhance Irish owned industries.

Finally the study is of personal value to the researcher as it aims to answer the real world problem of how to manage creativity and design and the application of
managing structures necessary to supporting that. The conclusions and recommendations which arise from this thesis may help determine future best practice in the area and help the researcher become a recognised expert in the field.

1.6 Research Rationale

The study is broken into seven chapters starting with an overview of the research. This section provides background information that led to the formulation of the research question. This is followed by introducing the aims and objectives identifying the value of the study to key stakeholders.

The literature review is divided into three chapters which serve to frame the research and explore the main themes relevant to the study. The first section of the literature reviews the available data to establish the current vista of architectural practices in Ireland. As this sector is the main focus of the study it is important to have a broad understanding of the subject so that when it comes to interpreting the data the insights will be of real use.

The next part of the review is concerned with exploring current literature on the key themes of strategy and structure outlining the main theories presented by key authors establishing best practice in order to develop guidelines in the area.

The final section of the literature investigates two other key themes of creativity and competitive advantage establishing main concepts and issues concerned with maximising potential benefit.

Findings from the literature provide direction for primary research and dictate the design of research for the study based on the type of knowledge sought. The fifth chapter justifies the choice of methodology and methods taking into account what is considered knowledge in the field of social research.
The following section presents data gathered from the primary research through interviews. A full analysis of the data is provided contextualising the literature within Irish architectural practices in order to make assertions about the phenomenon.

The final chapter presents conclusions which are made from analysis of primary and secondary data and recommendations for best practice guidelines for optimal organisational structure for Irish architectural practices that support creativity and thereby enhance competitive advantage. Areas for further study outside the scope of this thesis which were uncovered during the study are also identified.
Chapter 02 | Irish Architecture: An Internationally Traded Service

2.1 Introduction

The purpose of this chapter is to provide an overview of Irish architectural practices and how they currently operate and service industry. The main purpose of this study is to identify strengths and barriers to growth and establish whether or not Irish architectural practices are strategic through a review of the available literature. Therefore it is vitally important to provide a comprehensive understanding of the sector in order to make any meaningful insights.

This is firstly achieved by establishing the role of architectural practice within the construction sector and its relationship with the other key services. The nature, structure, size and current position of the profession is also considered in order to determine potential opportunities overseas. Challenges brought about by economic conditions and internationalisation are identified as these issues would be pertinent to any restructuring or future strategic plan. Current levels of internationally traded services and strategic planning that already exist with Irish architectural practices are investigated in order to determine the scale of such activity. The chapter concludes with a summary of key points gathered from the research.

2.2 Architecture and the Construction Sector

Architecture forms part of a series of activities in building contracts. The role of the architect in a building contract is determined by a range of factors “including the nature of the project....and aspects such as the location, the ultimate and the desired public image of the project” (MBD 2008, p. 7&8). Architecture is a professional service which is part of the construction sector. The construction services sector in Ireland is made up of professional services and contracting companies. Some of these companies trade internationally and provide the following services:

- Architectural design
While architecture is one of those services it is mutually dependent on the other services in order to deliver projects both overseas and in Ireland and therefore practices require business partners wherever they do work.

A rise in activity within the construction sector as a whole affects an increase in demand for architectural services. The recent downturn in demand for construction services has caused a reduction in demand for architectural services in Ireland (Construction Industry Council, 2009). This reduction has had an impact on those practices trading in Ireland and on those trading overseas.

Architectural services form part of a wider construction industry and projects are executed by the construction/design team accordingly. Within architectural practices how those projects are executed needs to be understood for the purposes of this thesis. The execution of an architectural project is complex. Work in this area (Healy, 2009) outlined in Figure 1 below illustrates this complexity.
Figure 1  DW Architectural Project Execution Process
Source: Healy, 2009

Figure 1 above illustrates the complexity associated with executing an architectural project. As the scale increases, so too does the level of complexity. Architectural
companies need to adequately resource such projects which can be as complex or more so depending on scale which is a consideration when delivering projects overseas.

2.3 The Numbers of Architects in Ireland

Due to the lack of registration of Architects in Ireland, data in relation to architects in Ireland comes from the Europe. The European body is the Architects’ Council of Europe (ACE) whose Members are the regulatory and professional representative bodies of all European Union (EU) Member States, Accession States, Switzerland and Norway. In Ireland, the Royal Institute of Architects of Ireland (RIAI) does not currently record the exact number of architects practicing in Ireland as there is no registration of architects in Ireland at present. This will change once the details of the how the Buildings Control Act 2007 is to be operated are published (Royal Institute of Architects of Ireland, 2008b). This Act provides for introduction of a statutory scheme for the registration of the title of “Architect” (Department of the Environment Heritage and Local Government, 2008a). The registration scheme outlined in the Act will be administered by the RIAI however the details of how this registration will operate still have to be determined (Department of the Environment Heritage and Local Government, 2008b). When this happens, accurate figures for the numbers of qualified registered Architects in the country will be available.

This is important in the context of this study as until the RIAI administers the law there remains uncertainty in relation to the availability of a comprehensive list of all practicing registered architects in Ireland. For Irish architects trading abroad it is important that they come from a body which can accredit them with an agreed internationally recognised professional standard (Royal Institute of Architects of Ireland, 2008a). In order to trade internationally it is important that their stature is benchmarked against an agreed standard and that Irish architecture is transparently registered.
2.4 Scale of the Architectural Profession – Ireland Compared to Europe

The Architects’ Council of Europe (ACE) recently completed its first study of the architectural profession at a European level in which figures for Ireland are included. This study was carried out during the summer of 2008 before the extent of the financial and economic crisis became very serious (Architects' Council of Europe, 2009).

The study confirmed that there are approximately 480,000 architects in Europe and that 86% of all architectural practices employ 5 or less people. The ACE advocates that their small scale leaves them vulnerable to fluctuations in the economic cycle (Architects' Council of Europe, 2009, Architects' Council of Europe and Mirza & Nacey Research, 2008).

In Ireland there are 3,500 architects of which 3,408 are economically active. Similar to Europe Irish practices are predominantly small practices with 5 or less people (76 % of practices).

Figure 2 Size of Irish Architectural Practices
Source: Architects’ Council of Europe & Mirza & Nacey Research 2008, p.90
Figure 2 above shows that there are only a small number of practices of scale in Ireland. The economic fluctuations being experienced at present in Ireland by the architectural sector are outlined below but taking the ACE research as outlined above, it would suggest that it is those practices of greater scale that would be better placed to survive which is an important consideration for this enquiry. From the above chart it is clear that the majority of practices are small with less than five members of staff.

2.5 Internationalisation

All businesses, regardless of size, are operating on an international stage (Bartlett and Ghoshal, 2002). This equates to either products or services being purchased and sold across the globe. The abundance of low cost resources in countries such as India and China and, of course, nearer to Ireland in Eastern Europe, has seen an explosion in the service sector with the obvious consequence of increased competition based on price rather than value differentiation (Forfas, 2004, InterTradeIreland, 2009). Such competition from overseas is a concern of the design sector in general and of particular concern to the architectural profession given “the impact of globalisation and emergence of competition from low cost economies providing “blue-collar” design services such as Computer-Aided Design (CAD)” (InterTradeIreland 2009, p.29). How Irish architectural practices differentiate themselves in relation to low-cost competition for competitive advantage therefore needs to be considered. Whether or not Irish architectural practices have strategies focussing on low-cost competition from abroad or whether they differentiate themselves based on value and innovation as sources of competitive advantage will be considered as part of this study.

Figure 3 Outline of the Architectural Design Process
Figure 3 above outlines the various stages of the architectural design process. Within that process there are business opportunities for low cost architectural providers to offer their services at the various stages. Companies may concentrate on offering a full service from taking the brief through to implementation and assessment. Other low-cost providers may concentrate on detail design only, for example, which can be done at a lower cost.

This study looks at those companies who are addressing this internationalisation of the sector and explores how they differentiate themselves for competitive advantage when seeking work abroad in order to exploit opportunities throughout the design process which may exist or which they may create.

2.6 Irish Architectural Practices with International Offices

The RIAI provides a list of Irish architectural practices with offices overseas (Royal Institute of Architects of Ireland, 2008b). Implementing their own strategy, in 2008 Enterprise Ireland established a Leadership for Growth in Construction Programme and some of those Irish architectural practices with international offices took part. This group met separately as a breakout group in 2008 in order to discuss how they would collaborate in the future (Irish Architects Meeting in Dubai, 2008). Their presence internationally is as follows:
Key to map

- **Murray O’Laoire** MOLA established offices in the Russian Federation (Moscow), Slovakia (Bratislava) and in Germany (Aachen) (Murray O’Laoire, 2009).

- **HKR** opened in the UK (Belfast, London, Manchester), Czech Republic (Prague), Romania (Bucharest), Middle East (UAE) and India (New Delhi) (HKR Architects, 2009).

- **Douglas Wallace** opened in the UK (Belfast, London) and Czech Republic (Prague) (Douglas Wallace, 2008).

- **O’Mahony Pike** established an office in the UK (London) (O'Mahony Pike, 2009), Bahrain in planning.

- **Henry J.Lyons and Partners** opened offices in the UK (Liverpool) and Asia (Shanghai) (Henry J.Lyons and Partners, 2009).

- **Reddy Architecture + Urbanism Group** established offices in the UK (Belfast), Romania (Bucharest) and Poland (Warsaw) (Reddy Architecture + Urbanism Group, 2009).

- **RKD** established an office in the UK (Belfast) (RKD, 2009)
The literature shows that most practices looking to expand beyond Ireland look primarily to the UK as illustrated in Figure 4 above. Latest figures show that 9% of practices in Ireland have head offices abroad (Architects' Council of Europe and Mirza & Nacey Research, 2008). While that 9% shows that there is increased competition from overseas in Ireland, there are also opportunities for Irish design practices outside Ireland. However, a weakness of the sector is that it ‘is locally focussed with limited interest in operating on a cross-border or international basis’ (InterTradeIreland 2009, p.31). Specifically a threat to internationally traded construction services companies is their dependence on the UK market (Carvalho et al., 2007).
2.7 Economic Conditions and Irish Architectural Practices

To understand the current position of Irish architectural practices, it is first important to comprehend the wider position of the economy as a whole.

The Irish economy’s difficulties, which commenced with a declining housing market at the end of 2006, were further compounded by rising interest rates between December 2006 and July 2008, tighter lending and credit conditions, combined with falling external demand (particularly from the US and Europe), an appreciating currency and a cautious Irish banking system.

(DKM Economic Consultants 2009, p.2)

For the construction industry, the prospects for 2009 look bleak with the severity of the economic recession being the most severe in almost thirty years. “The construction industry by the end of 2009 is projected to have lost 46% of its value at the peak in 2007” (DKM Economic Consultants 2009, p.2).

| Estimated Contraction since 2007 |
|-------------------------------|-------------------|
| 2009                          | 35%               |
| 2008                          | 18%               |

Figure 5 Estimated Contraction in Construction Since 2007
Source: DKM Economic Consultants 2009, p.2

Figure 5 above shows the estimated contraction in construction output of close to 18% in 2008, which is expected to contract by a further 35% this year. The construction sector is therefore facing a period of restructuring to meet these new economic realities (Government of Ireland, 2008).
Total employment in construction was down 33% in February 2009 compared to figures for the previous year (Construction Industry Council, 2009). However job losses in architecture have been greater with architectural practices severely impacted. The RIAI estimates that 41% of Architects have lost their jobs by March 2009 (Royal Institute of the Architects of Ireland, 2009).

Figure 6  
Fall in Employment in Construction and Architectural Employment, 2009

Figure 6 above shows the impact on architectural employment compared to overall construction employment. Given this rapid fall, architectural practices need to consider their structure in order to service a radically different local market which shows ‘little scope for any recovery yet’ (DKM Economic Consultants 2009, p.6).

Going forward the prospects for employment in the industry can be considered by examining forecast construction outputs. In 2007 the value of construction output peaked at €38.5billion or 24% of GNP compared to a value of €17.6 billion in 2000 or 17% of GNP (Construction Industry Council, 2009). The CIC outline the unsustainability of the 2007 figures and propose an optimum level going forward of €18 billion or 12% GNP but warns of that descending to €10billion which is 43% below this proposed optimum level if there is no Government stimulus within the next three years. Given these forecasts it is likely that the most optimistic employment forecast for architecture will mirror those of 2000 if relying on the Irish market alone.
These figures are significant as they give the study an indication of the prospect for possible outputs for the construction sector in Ireland over the next three years and the corresponding obvious consequences for construction employment including architecture were it reliant on the Irish market going forward exclusively. Those practices that have built up knowledge and capabilities working in Ireland need to therefore look at markets beyond Ireland and the internationalisation of their offer if they are to maintain their scale and thereby ensure they are in a stronger position to work abroad and withstand market fluctuations.

2.8 Current Strategic Planning in Irish Architectural Practices

InterTradeIreland (2009) reports a lack of strategic planning within Irish design services, including architectural practices. Although this is not specific to architectural design, similar findings in the construction sector (Carvalho et al., 2007) support the assumption that architectural services are deficient within the area of strategy. For those architectural organisations attempting to establish international trade, this may be problematic as Carvalho et al. (2007) cites that a lack of clear strategic focus as a major impediment to the success of internationalisation.

This lack of planning was evident ten years ago when it was highlighted that “design practices must recognise the need to engage in a constructive business planning and development process, rather than continue to drift and grow the business in an incremental and opportunistic way” (Bradley McGurk Partnership 1999, p.54). Literature in relation to architectural practices suggests that this is still the case. Accordingly the design sector “needs to find ways of creating more innovative, value-added offerings for their clients” (InterTradeIreland 2009, p.29). For design practices in general “sectoral expansion and growth will be dependent upon innovation capabilities within the industry” (InterTradeIreland 2009, p.31). Likewise opportunities exist (Carvalho et al., 2007) for internationally traded construction services (including architecture) for those companies that innovate with market led products and services.
There are signs of increased concentration in the architectural market (MBD, 2008) “mainly due to the emerging trend towards larger projects, which require architectural practices to be of a certain scale” (p.104). Practices therefore need to be large enough to compete for larger projects abroad, which is a consideration for this enquiry. It is interesting that the lack of size/scale of the majority of Irish architectural practices, highlighted as 76% of practices above, leaves them exposed to economic fluctuations as the literature would suggest. Once organisations have scale they also require structure so that the work is distributed and managed across the organisation. In doing so, they need to ensure that they harness the creativity within their organisations to promote innovation within their products and services. These innovations may include new markets, services, designs, products or business solutions.

2.9 Irish Architecture as an Internationally Traded Service

Business prospects exist for construction services abroad, in locations such as the Middle East and Eastern Europe, where there is significant growth potential (Carvalho et al., 2007). Several Irish architectural firms have established offices overseas as outlined in Figure 4 above, looking to transport the skills developed during the Irish property boom which equipped these firms to take on bigger projects overseas (Fitzgerald, 2006, Department of Enterprise Trade and Employment, 2007).

Enterprise Ireland is the government agency responsible for the development and promotion of the indigenous business sector to achieve strong positions in global markets (Enterprise Ireland, 2009). Enterprise Ireland’s ‘Growth Strategy Transforming Irish Industry 2008-2010’ is underpinned by the three fundamental themes of leadership, innovation and growth. Included in this strategy are the following aims:

- Develop a world-class senior management development programme for the Construction sector.
- Work with strong Construction services companies to introduce them to new geographic markets (Department of Enterprise Trade and Employment, 2007).
Several of the architectural practices with international offices actively engage with Enterprise Ireland and these practices work closely with overseas Enterprise Ireland offices and local development advisors in order to internationalise their businesses. Enterprise Ireland’s focus is towards internationalisation. Therefore senior management in these companies engaged with Enterprise Ireland need special skills in order to challenge the way they think about their businesses. Those practices in Enterprise Ireland’s Leadership for Growth in Construction Programme are encouraged to learn about strategic innovation: how shifting executive mindsets can create new forms of growth, value and advantage (Hewitt, 2007). By actively engaging with Enterprise Ireland some architectural practices have been encouraged to identify and capture new international growth opportunities accordingly and would suggest that they are more strategic than others in their business planning.

In 2007 at the height of the boom Enterprise Ireland had identified internationalisation as being important to the industry going forward: export targets for the sector give an insight into the growth potential through internationally trading construction services (including architecture) as forecast by Enterprise Ireland that year.

<table>
<thead>
<tr>
<th>Client Sector Profile</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of companies:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Very Active</td>
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<td>10</td>
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<td>Active</td>
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<td>Sales €m</td>
<td>-</td>
<td>2000m</td>
<td>2000m</td>
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<td>Exports €m</td>
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<td>200m</td>
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<tr>
<td>Employment</td>
<td>-</td>
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<td>R&amp;D Spend</td>
<td>-</td>
<td>N/A</td>
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Table 1   Enterprise Ireland: Design, Build, Operate Maintain (DBOM) Construction Services Targets 2008-2012

Source: Carvalho et al 2007, p.27

This table shows that Enterprise Ireland’s focus driving growth in exports in construction services beginning around the height of construction outputs in Ireland in 2007. It is significant that the number of very active companies was forecast to
increase by 100% from the period 2007 (10) to 2012 (20), while employment was forecast to increase by 50% in the same period. While the number of companies looking to export their services may remain as forecast it is unlikely that the corresponding numbers in employment will remain given the literature reviewed to date (Construction Industry Council, 2009).

The literature in relation to construction outputs in Ireland has researched rapidly and published succinctly by the CIC in March 2009. Outputs in construction in Ireland will not recover to the highs experienced in the boom years; rather a return to the outputs of 2000 is a more realistic prospect going forward which is less than half they were in 2007. This has implications for those practices who gained a wealth of experience over the last ten years but who now need to adjust in relation these forecasts as appropriate.

The importance of clear strategies around internationalisation is evident in the literature and therefore not only of importance to those companies currently exporting but also to those thinking about expanding their presence abroad. Preliminary evidence shows that due to a buoyant market in Ireland in the past, Irish architectural practices did not necessarily have to seek work abroad to sustain their organisations and that when they did they looked to the UK predominantly. Whether or not they are considering markets beyond the UK in the current more turbulent times needs to be understood particularly in relation to strategy.

2.10 Summary

The context in which Irish architectural practices are doing business has changed rapidly since the highs of 2007. During the boom years of the Celtic Tiger practices built up a wealth of expertise and competence which can be of benefit to them now. However a weakness for those practices suggested in the literature may indicate that they are not strategic enough and that they do not innovate which is a pre-requisite for growth overseas. Whether or not those practices with offices overseas are not strategic will be pursued through primary research. Another weakness is their small scale which leaves them more exposed to fluctuations in the market. Those practices which are clearly focussed on growing their businesses abroad have been identified and their rationale in deciding to open overseas offices will be explored in primary research.
This is necessary in order to establish whether their decision to open up overseas was a strategic one. Having established that strategy, restructuring and innovation are instrumental to any architectural practice which seeks to internationalise, the next stage of the study focuses on strategy, its implementation and organisational structure.
Chapter 03 | Strategy, Implementation and Organisational Structure

3.1 Introduction

The current position of Irish architectural practices outlined in the previous chapter suggests the majority of organisations are overly reliant on the Irish market that has resulted in a fragile existence which is unsustainable. However evidence also exists that indicates that some practices have made movements internationally looking beyond the home market to deliver a more sustainable business. Size of organisation is a consideration for those practices seeking to deliver projects internationally, which are increasingly larger in scale.

There is a recurring theme of structure and strategy around these challenges. The previous section identified the importance of strategic focus for the sector. As the environment for architectural practices transforms and their structure reflects and supports more internationally trading organisations, so the relationship between the strategy and structure needs to be considered and the implications of that reviewed.

This section of the literature explores the relevance and value of structure and strategy within organisations. In doing so the study aims to examine the relationship between structure and strategy implementation identifying at influences on organisational structure which need to be considered before any recommendations can be made to develop guidelines. The purpose of this section is to understand how strategy and structure relate to each other, together with the impact of change. This is critical in understanding how structure of architectural practices relates and supports the strategies of their organisations, as with an increased focus on internationalisation the company structure becomes more geographically dispersed.

Firstly, the concept of strategy is explored in order to identify the importance of its role within the organisation and highlight how integral strategy is to the company’s aims and objectives in order to be competitive within the marketplace. Following on from this, the chapter draws on current literature that explores the different types of
strategies that can be adopted by an organisation. The purpose of this is to outline the strategic choices companies can make for competitive advantage so that these can be considered for Irish architectural practices. A summary of the key findings are presented and reviewed in relation to data gathered in the previous chapter.

The second section examines the way in which a company organises itself which relates to strategy implementation. The study explores literature in relation to how the structure supports the implementation of the strategic objectives of the company. The impact of change on both strategy and structure are considered and the requirement to restructure is outlined. The main theories presented by key authors are summarised in order to develop guidelines within the area.

### 3.2 Understanding Strategy

Strategy is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competencies with the aim of fulfilling shareholder expectations.

Johnson *et al* 2006, p.9

Strategy is the ‘master plan’ for the company clearly outlining how it will achieve its mission and objectives: strategy “maximises competitive advantage and minimises competitive disadvantage” (Wheelan and Hunger 2000, p.12). When a company knows where it wants to go and answers the question “how will we get there” – the answer relates to the crafting and executing of its company’s strategy (Thompson et al., 2005). For a strategy to be successful it must ‘fit’ with the company’s external and internal situation. External factors include industry and competitive conditions and forces that may affect the business such as the economic factors outlined in Chapter 1 (Porter, 2008). Internally, the strategy must fit the company’s competitive capabilities and take cognisance of company structure, culture and resource strengths and weaknesses (Wheelan and Hunger, 2000, Thompson et al., 2005).
Business strategies can either be competitive (where the company is battling against all other firms in the industry) and/or cooperative (where the company works in collaboration with or allies itself to some rivals against others for competitive advantage) (Wheelan and Hunger, 2000). They can also be offensive (less focused on taking defensive position) or move reconstructionist (looking at the market in a totally different way). Choice of which strategy to employ is one of the choices which should be made by a company, complimented then as appropriate by other strategic options such as mergers and acquisitions or strategic alliances such as the consideration of appropriate business partners in the construction sector as outlined in the previous section (Thompson et al., 2005). The company must also analyse its own current situation as well as the competition and industry in order to understand its resource capabilities and competitive strengths. This will expose the weaknesses and strengths of the company’s current strategy and competitive position.

In moving into new markets, Irish architectural practices need to be aware of their options before deciding which strategy to adopt. They need to be aware of their own competitive strengths in new markets which may be different to the home market. Their structure needs to be able to support the strategy selected or the company may need to restructure in order to do so also.

For architectural practices seeking work both in Ireland and overseas, they require a clearly defined strategy. The literature suggests that they will be more successful if they have strategies for growth overseas but that these are dependent on the innovation capabilities of their staff (InterTradeIreland, 2009). Therefore this study examines whether or not those practices with international offices are strategic in their approach and whether or not they have strategies in relation to creativity for their staff and/or their clients. The strategies adopted by a company determine the choices it makes in relation to the marketplace and how it will succeed in the long term. As discussed in the previous section, putting that strategy into action is critical to a company’s success or failure. The literature suggests that Irish architectural practices are weak at strategic planning however most of what has been written is based on data compiled before the full impact of the economic downturn became evident. This enquiry therefore explores whether or not this is still the case.
3.2.1 Competitive / Co-operative Strategies

The structuralist approach to strategic thinking is often based on the competition. With this approach, awareness of the forces that shape industry competition is required so that the company’s strategy matches the competitive conditions of the marketplace (Porter, 2008). By understanding what these competitive forces are, company strategists can take actions to protect the firm and also initiate actions in order to produce competitive advantage. This may or may not involve working in co-operation with rivals in alliances and partnerships. This is a structuralist view of strategy which is explained as follows (Chan Kim and Mauborgne, 2005) ‘Market structure, given by supply and demand conditions, shapes sellers’ and buyers’ conduct, which, in turn, determines end performance’ (p.209).

Using this approach, most driving forces of industry change fall into one of the following, with those more likely to affect architectural practices highlighted to a greater or lesser extent below:

1. Growing use of the internet Less Likely
2. Increasing globalisation More Likely
3. Changes in the long-term industry growth rate More Likely
4. Changes in who buys the product and how they use it Likely
5. Product Innovation Likely
6. Technological Change and manufacturing process Innovation Likely
7. Marketing Innovation Likely
8. Entry or exit of major firms More Likely
9. Diffusion of technical know-how across more companies and more countries Less Likely
10. Changes in cost and efficiency More Likely
11. Growing buyer preferences for differentiated products Less Likely
12. Reductions in uncertainty and business risk  
   More Likely
13. Regulator influences  
   Likely
14. Changing societal concerns, attitudes and lifestyles  
   Likely

(Thompson Jr. et al 2005, p. 74)

Strategists’ task is to identify the major forces impacting their industry as opposed to the minor ones to understand the impact of these changes on the industry and company and prepare effectively. It is imperative to understand the market or markets as only then can an organisation decide on which offensive strategies to adopt.

3.2.2 Offensive Strategies

Competitive advantage is usually achieved by a company going on the offensive: that is using offensive strategies as opposed to defensive ones to secure cost advantage, differentiation advantage or resource advantage (Thompson et al., 2005). There are many types of offensive strategies that can be deployed by companies and can be summarised these as follows (Thomson Jr. and Strickland III, 1989, Thompson et al., 2005, Wheelan and Hunger, 2000):

**Frontal Attack** - going head to head with a competitor.

**Flanking Manoeuvre** - attacking that part of the market where the competitor is weak.

**Bypass Attack** - manoeuvring around competitors to capture unoccupied or less contested territories, changing the rules of the game.

**Encirclement** - the company uses simultaneous attacks on many fronts and encircles the competitors’ position in terms of products or markets or both.

**Guerrilla Warfare** - ‘hit and run’ offensives by small challengers who attack industry leaders in locations and at times to suit them.
Strategy refers to the decisions a company will make and consists of the important actions necessary to realise those decisions. Competitive strategy refers to companies that take a competitive position differentiating themselves in the eyes of the customer, adding value through a mix of activities different from those used by competitors (Halliden, 2009). This is achieved by the company in various ways usually by the company considering one or more offensive strategies as outlined above.

While focussing on the competition may answer the question “what should the organisation be doing” there are other ways to answer that question which do not focus on the competition, rather they focus away from the competition - to uncontested markets where there is a lack of competition. This is particularly relevant for Irish architectural practices that may choose to look at new markets where the competition is not as strong or where they can offer different products in an uncontested area of an existing marketplace.

3.2.3 Reconstructionist Strategies

A ‘reconstructionist’ view would be to look at the market in a different way, focussing away from supply and more toward demand – and also away from competing and more towards the creation of value innovation releasing new demand by not allowing existing market structures limit what can be achieved (Chan Kim and Mauborgne, 2005). With such an approach, redefining a given problem can lead to a totally new solution and change the whole marketplace thereby creating a demand that did not exist previously, ‘reconstruction reshapes the boundary and the structure of an industry and creates a blue ocean of new market space’ (Chan Kim and Mauborgne 2005, p. 212). Reconstruction looks at the problem in a completely different way and re-defines it – thereby creating a whole new market and strategies which need to be re-defined to service that market accordingly.

In exploring Irish architectural practices’ strategies around internationalisation, this study will make conclusions as to whether or not those companies strategy is to respond (defensive) rather than to pre-empt (offensive) as a strategic approach. This thesis explores whether or not those practices seeking work internationally are now or have ever been strategic in their approach and how they implement those strategies.
Furthermore, the literature would suggest that having strategies in relation to the innovation capabilities of the company would better place Irish Architectural practices’ growth capabilities in working abroad. Therefore the strategic approaches they take in relation to how they view the competition or look at the market will contribute significantly to their successes abroad. How those strategies are implemented is critical to their success and is explored below.

### 3.3 Strategy Implementation

Strategy implementation relates to the process by which strategies are put into action. The implementation is usually considered after the strategy but, according to Wheelan and Hunger (2000), “strategy formulation and strategy implementation should be viewed as two sides of the same coin” (p.183). For strategy to be implemented, the company must be structured properly to deliver a response to a new strategy which has been created. Strategy is a plan outlining how a company is going to compete for business. The directional decisions the company makes are realised by the strategy the company adopts. The strategy is implemented when those plans and decisions are put into effect.

### 3.4 Organisational Structure

There is general agreement within the literature on business strategy that ‘structure follows strategy’ - that changes in a company’s strategy lead to changes in that company’s organisational structure (Wheelan and Hunger, 2000, Whittington, 1993). The company needs to co-ordinate its resources and put them to productive use to achieve and follow the strategy and implement it accordingly (Hill and Jones, 2004). How individuals interact and co-operate with each other and make decisions within the context of the organisation is critical to the successful implementation of company strategy.

Current thinking in relation to strategic human resource management would seem to emphasise the two way link between business planning strategies and human resource
management strategies and that organisational structures should be designed in a way that supports the strategy of an organisation (Mabey et al., 2000, Robbins, 2003).

Organisational structure is critical to the practical success of organisational performance – getting it wrong can really cost the company (Whittington, 1993). This is because in order to achieve strategic goals, the work has to be divided amongst the members of the organisation and that work then needs to be coordinated. Organisational structure and re-structuring are fundamental to taking a ‘strategic’ approach to a company’s human resource management (Mabey et al., 2000). In addition to implementing the strategy, structure has an impact on the people working in the organisation and affects them in various ways. “Different people are comfortable working with different levels of structure. Some find it constraining, some find it liberating” (Collison and Parcell 2004, p.184).

Organisations that are large in relation to size and number of divisions become complex and therefore require a hierarchy of authority within their organisational structure (Hill and Jones, 2004). Organisational structure “refers to the formal division of work and labour, and the formal pattern of relationships that co-ordinate and control organisational activities” (Bratton et al 2007, p.393). There are two schools of thought in relation to organisational structure: managerialist and critical explained as follows:

The managerialists are interested in structures and ‘strong’ organizational cultures from a particular standpoint: how to design and manage them effectively. The critics are invariably attracted to investigating how a particular structural arrangement enhances managerial control, and exploring the paradoxes it creates.

Bratton et al 2007, p. 393

Taking both a managerialist and a critical approach towards organisational structure enables managers to consider organisational structure beyond the formal structure and also explore informal structures for competitive advantage. Organisational structure is achieved both formally and informally within the organisation. The design of the
organisation’s structure can deeply influence the competitive advantage of a company particularly in relation to knowledge management (Johnson et al., 2006).

This study explores whether or not Irish architectural practices consider their organisational structure as it relates to strategy and strategic implementation. Given that organisations seeking work abroad need to be able to survive the fluctuation of the market they are better placed to do so once they have scale (Architects' Council of Europe and Mirza & Nacey Research, 2008). Therefore this study looks at organisational structure for those companies with scale as these are more complex and therefore require a hierarchy of authority. However the literature suggests that various levels of structure affect different people in different ways. It is important to understand what those aspects of structure are so that their impact in relation to the delivery of strategies is understood. If strategies for growth in relation to innovative products and services and a reputation for innovative design are required, then the various dimensions of structure need to be understood so that their affect can be explored in the following chapter. Those dimensions include complexity, formality and centralisation.

3.5 Dimensions of Organisational Structure

There are various dimensions or elements which are used to outline organisational structure according to many sources such as the grouping of tasks, functions and divisions; the allocation of authority and responsibility; and the level of co-ordination between functions as the structure evolves (Hill and Jones, 2004, Robbins, 2003, Mabey et al., 2000, Bratton et al., 2007). These elements to formal organisational structure design can be more easily understood as follows:
These various elements can be explored using the following three themes: complexity, formalization and centralization.

3.5.1 Complexity

As the size and scale of the organisation increases, so too does its complexity and structure (Johnson et al., 2006). “Complexity measures the degree of division of tasks, levels of hierarchy, and geographical locations of work units in the organisation” (Bratton et al. 2007, p.396). These are considerations for those Irish architectural
practices with offices outside Ireland as highlighted in Chapter 1. Organisations are described as tall or flat. Taller structures have many levels of authority and flat structures have less and are more team based (Hill and Jones, 2004, Bratton et al., 2007). Organisations that become too tall decrease motivation and co-operation between employees which leads to an increase in bureaucracy and costs (Hill and Jones, 2004). Flat structures are more horizontally complex and more team based. The nature of teams is explored by Katzenbach and Smith (1993) who propose that “a team is a small number of people with complementary skills who are committed to a common purpose, set of performance goals and an approach for which they hold themselves accountable” (p111). The more tasks that are divided between the members of the team, the more horizontally complex the organisational structure as illustrated in Figure 7.
Traditional hierarchy

Horizontal Organisation

Figure 7  A Tall Organisation Structure Versus a Flat (Team-Based) Structure
Source: Bratton et al 2007, p.396

How the organisation is designed tends to be linked with how the organisation is run for efficiency and control associated with tall/vertical design or whether it is designed for learning from each other and the sharing of tasks associated with flat/horizontal design summarised effectively in the following figure:

Dominant Structural Approach
Flatter structures are also a feature of global competition forcing reductions in work forces and the ability to respond more rapidly (Davidow and Malone, 1993). A framework that embraces complexity and multilateral viewpoints yet also considers the elements that connect people is critical in design (Ahuactzin, 2009). Architectural companies trading internationally identified in the previous section should consider whether the complexity of their organisations can also provide for easy and rapid connection between all. The literature would suggest therefore that a horizontal structure is best suited to those practices seeking to empower employees and to encourage communication between staff for the learning organisation to transfer knowledge between colleagues.

3.5.2 Formalisation

Formalisation is “the degree to which organizations standardizes behaviour through rules, procedures, formal training and related mechanisms” (Bratton et al. 2007, p397). The lower the formalisation of structure: the more enabling that structure is. The more rules there are, the more formalised the organisation.

Johnson et al (2006) outline the types of formal organisational structures to include:
• Functional Structure
• Multidivisional Structure
• Holding Company Structure
• Matrix Structure
• Transnational Structure
• Team Based Structures
• Project Based structures

(a) Functional Grouping

<table>
<thead>
<tr>
<th>CEO</th>
<th>Engineering</th>
<th>Marketing</th>
<th>Manufacturing</th>
</tr>
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</table>

(b) Divisional Grouping

<table>
<thead>
<tr>
<th>CEO</th>
<th>Product Division 1</th>
<th>Product Division 2</th>
<th>Product Division 3</th>
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</table>

(c) Horizontal Grouping

(d) Geographical Structure for Apple Computer
Some structural options are included above in order to provide an illustration of organisational design as elements of organisational structure in architectural practices with international offices is the focus of this enquiry. While there are no hard and fast rules regarding which structure is the most appropriate one, Bratton et al (2007) offer a logical guiding principle “that while there is no one right organisational structure, for top managers the right structure is the one that offers the most advantages and the fewest limitations” (p. 401). The sources of competitive advantage are considered by a company in the strategy taken. The type of structure that can deliver that strategy is determined by the management but needs to reflect the required work activities considered strategically important to the company (Daft, 2007).

Informal structures such as communities of interest and communities of practice are lower in formality and are considered more valuable by some as it is these informal structures that connect employees across these departments or units. Without making those informal connections, opportunities are lost with the knowledge transfer within the firm limited by the firm’s formal organisational structure (Collison and Parcell, 2004). With the growth of knowledge based employment there has been a change of the type of organisation from command-and-control to organisations with departments, divisions or units. These informal structures, known as communities of practice knit the whole organisation together, beyond technical knowledge towards a relationship between people and activities. These relationships give the interpretative support required to make sense of the knowledge’s heritage (Lave and Wenger, 1991, Wenger et al., 2002).
Informal structures are made up of networks that operate across the normal formal organisational structures and are classified by Collison and Parcell (2004) as “communities of interest, practice, or commitment” (p.204). Communities of commitment focus more on delivering common objectives that improves the business (e.g. reduction in company’s greenhouse gas emissions); communities of interest and communities of practice, focus more on enabling individuals and therefore impact on their business performance by sharing knowledge around the discipline/expertise. (Bratton et al., 2007, Collison and Parcell, 2004).

Different from formal structures which are based around reporting structures and increased reporting relationships, communities of practice are focussed on knowledge and based on collegial relationships making them fundamentally different. By their informality they facilitate more freedom and sharing of knowledge and expertise. Cross-boundary co-operation is more likely to take place if individuals get to know each other as this increases the chances of collaboration occurring through reciprocating favours in a collaborative spirit between autonomous units (Maister, 2003).
Managers can design formal structures to focus on accountability for customer and business results, while relying more heavily on informal structures such as communities of practice to address issues related to knowledge, competence and innovation.

(Wenger et al 2002, p. 20)

Organisational structures that allow employees cut across the interests of strategic business units results in an increase in competitive advantage. The ability to leverage the capabilities of staff across the organisation, regardless of business unit, should be a consideration for Irish architectural practices with overseas offices as they require their employees to work together no matter where they are based so that they can benefit from the skills and expertise of the company’s workforce for the creation of new and exciting products or services.

The skills that together constitute core competence must coalesce around individuals whose efforts are not so narrowly focussed that they cannot recognize the opportunities for blending their functional expertise with those of others in new and interesting ways.

(Prahalad and Hamel 1990, p81)

Companies that achieve this blend functional expertise in new ways to build unanticipated products allowing them invent new markets, quickly enter emerging markets or shift the choice they offer their customers in existing markets (Prahalad and Hamel, 1990). The lack of innovation of market led products and services, within the construction sector generally, has been highlighted in the literature. Those architectural practices that manage to blend expertise across the organisation would be better placed than others in becoming more strategic about the potential development of new products and services.
If companies consider themselves low in formality and complexity but do not consider the fact that their geographic locations contribute to that formality and complexity, then the opportunities for staff in various locations to develop collegiate relationships with each other is decreased. Such informal relationships address issues relating to knowledge, competence and innovation. By cutting across strategic business units with informal structures, the literature strongly suggests that companies are more likely to build unforeseen products allowing them invent new markets. Given that Irish architectural practices need to focus on new markets due to a declining home market, they need to pro-actively ensure that informal relationships enable the knowledge within the company, built up during the boom years, deliver for the company no matter where it is based or what unit it is in through collaboration. Companies sending their best people abroad to explore new markets still need to be able to access their expertise and knowledge and it must not become isolated. Whether or not architectural practices maximise the potential of both formal and informal structures is further explored as part of this study accordingly.

3.5.3 Centralisation

Authority is centralized when managers at the upper levels of a company’s hierarchy retain the authority to make the most important decisions. When authority is decentralised, it is delegated into divisions, functions, and employees at lower levels in the company.

(Hill and Jones 2004, p.408)

Many argue towards the advantages of decentralisation as it allows top management spend more time developing competitive strategy; lower managers become more motivated and accountability increases and finally fewer managers are required given the reduction in the requirement to oversee activities (Bratton et al., 2007, Pfeffer, 1994, Hill and Jones, 2004). The impact of de-centralisation on Irish architectural practices’ competitive advantage will be explored further in the following chapter. However at this stage it would appear that de-centralization is a challenge for managers and needs to be supported by clear strategies to share knowledge across the
company through collaborative arrangements to multiply resources. Without these, de-centralisation makes it less likely that individual businesses will share skills across the organisation and more likely that they will become reliant on outsiders for those skills (Prahalad and Hamel, 1990).

Companies need to look at structures which focus on work teams “or the electronic linking of widely dispersed locations and employees to form an extended ‘virtual’ organisation” (Bratton et al 2007, p.401). However technology alone is not enough to meet the challenges faced by companies in order for some companies to remain competitive in a more globalized marketplace (Davidow and Malone, 1993). When considering centralisation do Irish architectural practices consider technology alone as the method by which to link widely dispersed people? In this regard, technological capital is not enough within architecture to differentiate a firm, rather it is their innovation and design capabilities that allow practices to thrive.

The development of widespread information and communication technology has reduced the potential for significant service differentiation based on design ability. However, the intangible reputation of individual practices for innovation and design quality is likely to remain a persuasive factor in sustaining the position of several leading partnerships.

(MBD 2008, p. 104)

Centralisation or de-centralisation is explored in this enquiry as it is a consideration for architectural practices with a multiple of offices and how they are managed. Whatever decisions architectural companies take in relation to (de)centralisation need to be supported with a clear strategic intent. The literature would suggest that unless supported by clear collaborative arrangements to share knowledge, de-centralisation can make it less likely that individual architectural business units/teams will share skills across the organisation.
3.6 Re-structuring and Internationalisation

Globalization is concerned with when an organisation “extends its activities to other parts of the world, actively participates in other markets, and competes against organizations located in other countries” (Bratton et al 2007, p. 411). Competing globally occurs after a company has begun to trade in several international markets. Globalization now effects classically locally trading companies who want to exploit opportunities beyond their national borders (Bartlett and Ghoshal, 2002). Some Irish architectural practices are international competitors in several markets. The effect of globalisation on those trading internationally is the emergence of competition from low-cost economies in those markets that can provide design services such as CAD. Therefore how those Irish architectural practices differentiate themselves for competitive advantage needs to be considered.

The possibility of their expanding into overseas markets is made possible by customer tastes homogenizing and the lowering of barriers to cross-border trading and investment increasing competition and opportunities (Hill and Jones, 2004, Bartlett and Ghoshal, 2002). When trading internationally the company structure must facilitate both the local and the international conditions according to Belbin (2000) in order to deliver competitive advantage both locally and for the organisation as a whole.

That combination requires a particular set of conditions. Where these can be created, people will be better placed to amend what they see as failing in their own working environments. The sum of their efforts will then become a major force for community advancement.

(Belbin 2000, p. 107)

It is important to understand the local and international structure of an industry in order to position any company effectively; that industry structure grows from economic and technical characteristics (Porter, 2008). Often the structures of an industry change: the industry structure becomes international or the industry itself
faces a business revolution. Therefore companies working in or servicing those industries need to change their strategies in the light of any new marketplace. The construction sector in Ireland is undergoing radical change at present as highlighted in the previous section. Therefore the companies working in or servicing the construction sector, including architecture, need to radically change also in the light of a new, fast changing business environment. Their ability to change swiftly is important. Once there is a change in company strategy, structure needs to change and restructuring is therefore required. The sequence that occurs can by synopsised as follows:

1. New Strategy is created.
2. New Administrative problems emerge.
3. New appropriate structure is invented.
4. Profit returns to its previous level.

(Chandler cited in Wheelan and Hunger 2000, p.187)

As the structure of industries change, this has an effect on whether the businesses servicing those industries begin to trade internationally in one or more countries. Having already established that some Irish architectural companies have begun to trade internationally, whether or not their existing structures are can support that strategy implementation is explored in this thesis.

In order to remain competitive in the face of business revolutions, meaningful restructuring must also take place and companies must move quickly ensuring the process is both rapid and complete (Davidow and Malone, 1993). Such change may have implications for the company which may then be required to innovate rapidly (Whatmore, 1999, Kouzes and Posner, 2003) or downsize towards ‘‘horizontal’ or lean’ organizations’ (Bratton et al 2007, p.412). The ability of Irish architectural practices to move quickly in relation to their organisations’ restructure is therefore significant if they are to maintain the flexibility required to change, innovate or downsize when faced with business change. The ‘business revolution’ which is affecting the sector in Ireland is the downturn in the economy which is transforming the construction sector in general and the architectural sector in particular at present.
The main objective of strategy is to achieve competitive advantage (Thomson Jr. and Strickland III, 1989, Porter, 1980, Thompson et al., 2005, Johnson et al., 2006). A strong strategy is enabled by management’s ability to progress in such a way both internally and externally that the company becomes distinctive (Thompson et al., 2005). In order to innovate and create the organisation can go beyond thinking about the competition and focus more beyond the ‘by-pass attack’ offensive strategy into unexplored ‘blue ocean space’ in order to secure competitive advantage. The organisation positions itself to deliver new products or services and move into uncontested space thereby capturing demand. It would therefore be pertinent to this research to determine whether Irish architectural practices are competing against the existing competition in new markets or whether they are positioning themselves to offer new products or services in those markets, moving into uncontested space altogether.

The effects globalisation is having an impact on those architectural practices trading internationally. However the literature in relation to organisational behaviour and globalisation is sparse. Given that for best practice structure should follow strategy, when industry structures change, likewise company strategy needs to change accordingly. Therefore company structure needs to be changed in the light of any new reality such as financial or technological change. Accordingly, this study explores whether or not architectural practices see their structures as changing over time or whether they have already been restructured due to industry change to date which has been significant. The literature would suggest that a company’s ability to restructure to a changing marketplace needs to be both rapid and complete given that there may then be a requirement to innovate rapidly given changed market conditions or to downsize. How flexible Irish architectural practices are is explored therefore as part of this enquiry.

If such architectural practices are to innovate they need to develop competitive advantage in order to be able to do so. Ways in which competitive advantage can be secured will be explored in the next chapter together with the concept of creativity for competitive advantage in order to deliver outcomes by individuals, groups or organisation. Therefore creativity needs to be understood in greater detail together
with how organisational structure can impede or enhance creativity for the benefit of the organisation.

3.7 Summary

This section of the literature has established that organisations require strategy in order to achieve advantage in the long term. That strategy must fit with the company’s competitive capabilities externally and with the capabilities for the organisation internally. Whether a company’s strategy relates to its competitors or relates to value innovation thereby creating new demand for products or services, needs to be considered by the organisation in terms of its delivery capabilities. Strategic implementation is concerned with putting strategies into action. This requires that companies consider how their organisational structure will support the co-ordination of the company’s resources in order to achieve that strategy. If strategies for growth in relation to innovative products and services are required then the various dimensions of structure need to be understood. These are complexity, formalisation and (de)centralisation.

Complexity relate to the degree and division of tasks in a company. Organisations are described as tall or flat accordingly. Formalisation is concerned with the degree to which organisations standardise their behaviour. The type of formal structure that can deliver strategy is determined by the management. Informal structures are lower in formality and knit the organisation together across business units blending functional expertise in new ways. Centralisation affects the degree of authority and how much remains at upper levels of a company’s hierarchy. When a company is de-centralised that authority is delegated to lower levels.

Restructuring is required when structures of industries change as a result of increased internationalisation or other types of business revolution. The ability of companies to restructure requires that they maintain flexibility in order to change, innovate or downsize, moving quickly to maintain competitive advantage.

Various themes emerge in this chapter which are explored in the primary research. There is insufficient evidence within the literature to determine whether there is currently a lack of strategic focus within architectural or whether more turbulent times have made them more strategic. This will be explored in primary research as it has an
impact on how that strategy is implemented. Strategies adopted by Irish architectural practices towards internationalisation are explored. Whether those practices seeking work internationally compete on cost and/or value or through the innovation of new products and services for competitive advantage will be explored as part of this study. The implementation of strategy implementation is explored. Given that structure supports strategy implementation, the real world experiences of organisational complexity, formalisation and (de)centralisation are investigated. Re-structuring is explored to ascertain whether or not practices have flexibility to change quickly in response to industry change.

Competitive advantage in relation to strategy and organisational structure has been referred to above in relation to Irish architectural practices working internationally. This is therefore explored in the following section.
Chapter 04 | Competitive Advantage and Creativity

4.1 Introduction

Having already established that the strategic choices companies make set their direction over the long term, master plans are implemented by those working in the company through their organisational structures for competitive advantage. Companies can achieve competitive advantage in various ways. This section of the literature explores the strategic choices companies make in order to secure competitive advantage and how they align their organisational creativity to best deliver new products or services. The two themes of competitive advantage and creativity are explored separately in order to gain a full understanding of both.

Understanding competitive advantage is critical for architectural practices who, faced with a declining home market, need to identify and articulate what competitive advantage means to them in new markets where their reputation has yet to be established. This section explores the various ways by which companies seek to secure competitive advantage. Strategies for competitive advantage are identified together with some practical guidance in relation to strategies for competitive advantage in challenging times.

The ability of architectural practices to ensure creativity and the delivery of new and innovative products and services to a high quality and standard for competitive advantage is a challenge. The following section explores the concept of creativity as a platform to innovate new products or services so that these elements can be better understood. Creativity is a widely used term and for the purposes of this study is defined in relation to the organisation. Those elements of organisational structure which affect creativity are considered so that companies can identify which elements of structure enhance or impede creativity in a rapidly changing marketplace.
4.2 Securing Competitive advantage

“Competitive advantage is gained when a company moves into a position where it has an edge in coping with competitive forces and in attracting buyers” (Thomson Jr. and Strickland III 1989, p.122). When the company becomes distinctive it gives buyers a reason to choose its products or services rather than its rivals. In achieving this, the company produces a sustainable competitive advantage. As a changing marketplace focuses business minds, organisations are required to develop products and services and improve processes to remain not just competitive, but in business. In such circumstances organisations need to envisage radical industry changing ways (BizLabs, 2009, Whatmore, 1999, Hordon, 2007).

An expanding market keeps the manufacturer from having to think very hard or imaginatively. If thinking is an intellectual response to a problem, then the absence of a problem leads to the absence of thinking. If your product has an automatically expanding market, then you will not give much thought to how to expand it.

(Levitt 1960, p.4)

The paradox in the above statement has implications for sustaining the competitive advantage of companies. Handy (1995) suggests that in more turbulent times marketplaces become more complex and that in such times more paradoxes are evident. Such paradoxes are a feature of current economically turbulent and challenging times in Ireland and as such require that strategists find new ways to deliver competitive advantage. Rather than treating turbulence as a disadvantage it is in fact “a necessary prelude to creativity and some new order” (Handy 1995, p.17). In these times of transition, radical innovation is needed and if companies adopt new ways of thinking and working together they can affect change (Ahuactzin, 2009).

The previous chapter outlined importance of the organisation’s ability to swiftly respond to market change through its organisational structure. How that structure affects creativity also needs to be determined. However before strategy can be
formulated, strategists first need to understand where they are now and where they want to go in order to secure competitive advantage for their organisation. Some may focus on the existing competition and market while others may look further into unchallenged or uncontested markets and try to secure competitive advantage there.

In order to generate competitive advantage architectural practices must first decide what strategies they plan to pursue given that they are experiencing turbulent times. In such times the literature suggests that those practices that innovate and create would be better placed than others who are not strategic about the opportunities that such challenges can bring.

4.3 Competitive Strategy for Competitive Advantage

Competitive strategy relates to how the company will compete in the marketplace and gain competitive advantage over its rivals (Thompson et al., 2005). Thinking differently about a company’s rivals can yield surprising results. According to Porter (2008) “the company strategist who understands that competition extends beyond existing rivals will detect wider competitive threats and be better equipped to address them” (p. 93). Irish architectural practices should be aware of their rivals and also other potential threats to their businesses when moving into new markets.

There are many ways a company can pursue competitive advantage but put succinctly “organisations achieve competitive advantage by providing their customers with what they want, or need, better or more effectively than competitors” (Johnson et al 2006, p.242). Competition based strategies look at achieving competitive advantage generally in one of two ways: “either by offering buyers a standard product at a lower price or by using some differentiating technique to provide a better product that buyers think is worth paying a higher price for” (Thomson Jr. and Strickland III 1989, p. 122-123).

In order to win competitive advantage a company could pursue three generic strategies around ‘overall cost leadership’, ‘differentiation’ and ‘focus’ (Porter, 1990).
Table 3  Porter’s Generic Competitive Strategies
Source: Porter 1990, p.39

Each of these strategies identified in the above Table has distinctive aims and these can be illustrated as follows:

- **Differentiation strategy** is aimed at the broad mass market and involves creating a product or service that is perceived to be unique in ways that are valuable to a wide range of customers – the company then charges a premium for this product. This approach can be associated with design or brand image, technology, customer service such as Mercedes Benz and Starbucks.

- A **cost leadership strategy** that is aimed at giving customers more value for money such as Wal Mart and Dell Computers.

- **Cost focus** is a low cost competitive strategy that is aimed at securing a competitive advantage by serving buyers in a target market niche (either buyer group or geographical area) at a lower cost and lower price such as eBay and Cartridge World.

- **Differentiation focus** aims at securing a competitive advantage by offering niche members a product they perceive as well suited to their unique tastes and preferences – this strategy is valued by those who believe that if they focus their efforts they can service their clients in a
narrow strategic market better than the competition such as Haagen-Dazs and Gucci.

Using the above approach, strategy is seen as making a choice between differentiation and low cost. With each of these competition based strategies there is the belief that companies create greater value to customers at a higher cost or else create reasonable value to customers at a lower cost (Chan Kim and Mauborgne, 2005). For an Irish architectural practice moving into new markets it is important that they have a clear strategy as they will have moved from a country where they have a relatively high profile into a new market where they may have none.

4.4 Offensive Strategies for Competitive Advantage

The previous section highlighted how offensive strategies were more likely to facilitate competitive advantage and increase market share. As demands on companies to innovate and change increase, some companies are exploring strategies for competitive advantage that do not focus on the competition but rather the creation of new markets and moving offensively into them. Chan Kim and Mauborgne define this as value innovation.

Whereas Porter would contest that there needs to be a value-cost trade-off which focuses on either differentiation or low cost (Porter, 1980), companies focussed on the creation of new markets and services focus on both on value and on innovation.

Value innovation places equal emphasis on value and innovation. Value without innovation tends to focus on value creation on an incremental scale, something which improves value but is not sufficient to make you stand out in the marketplace. Innovation

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without value tends to be technology driven, market pioneering, or futuristic, often shooting beyond what buyers are willing to accept and pay for.

(Chan Kim and Mauborgne 2005, p.13)

The strategic approach taken by those companies who want to pursue differentiation and low cost is termed ‘Blue Ocean Strategy’ by Chan Kim and Mauborgne (2005) as follows: “Blue oceans .... are defined by untapped market space, demand creation, and the opportunity for highly profitable growth” (p.4), however “there is little practical guidance on how to create them” (p.5). These companies aim to break from both the competition and the value-cost trade off.

The opposite of Blue Ocean Strategies is termed Red Ocean Strategy which is more concerned with the existing competition, where the choice between value or cost and demand is considered, similar to Porter’s model above. Red Ocean Strategy is contrasted to Blue Ocean Strategy in Table 4 below.

<table>
<thead>
<tr>
<th>Red Ocean Strategy</th>
<th>Blue Ocean Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compete in existing market space.</td>
<td>Create uncontested market space.</td>
</tr>
<tr>
<td>Beat the competition.</td>
<td>Make the competition irrelevant.</td>
</tr>
<tr>
<td>Exploit existing demand.</td>
<td>Create and capture new demand.</td>
</tr>
<tr>
<td>Make the value-cost trade-off.</td>
<td>Break the value-cost trade-off.</td>
</tr>
<tr>
<td>Align the whole system of a firm’s activities with its strategic choice of differentiation or low cost.</td>
<td>Align the whole system of a firm’s activities with its strategic choice of differentiation and low cost.</td>
</tr>
</tbody>
</table>

Table 4 Red Ocean and Blue Ocean Strategies.
Source: Chan Kim and Mauborgne2005, p. 18

Competition based strategies based on choices between value or cost are contrasted with innovation based strategies are synthesised in Figure
below. Innovation based strategies focus both on value and innovation, defying the value cost trade off.

![Figure 11: Competition Based Strategy and Innovation Based Strategy](image)

**Figure 11   Competition Based Strategy and Innovation Based Strategy**

Figure 11 above compares innovation based strategies to competition based strategies for competitive advantage. In exploring how those strategies deliver competitive advantage the literature suggests that there is usually a trade off between cost or value but that some companies look at offering both value and cost in the delivery of more innovation based strategies. Given that sectoral expansion and growth are dependent on the innovation capabilities within the design industry in Ireland (InterTradeIreland, 2009) and furthermore in the Irish construction sector (including architecture) there are new opportunities for those companies that innovate with market led products and services (Carvalho et al., 2007), this would suggest that Irish architectural practices with international offices should focus on innovation based strategies as outlined above. There is currently no available data to confirm whether this is the case among architectural practices that have already begun to trade overseas.
Facing challenges, organisations are forced to search for opportunities to not only change or grow in relation to the competition but also to innovate and improve. In order to search out opportunities in challenging times, business leadership literature can give some practical guidance in relation to the ‘lack of guidance’ mentioned above. Business leaders make use of four essentials to get extraordinary things done, outlined as follows:

- Seize the initiative
- Make challenge meaningful
- Innovate and create
- Look outward for fresh ideas.

(Kouzes and Posner 2003, p. 177)

If an architectural company is pursuing strategies that would require creativity to thrive in an organisation for competitive advantage in order to innovate, the organisation must first have a clear understanding of what creativity is so that it can make the challenge meaningful and succeed in looking outward for new ideas. However, an organisation must in fact “be creative and innovative in order to be creative and innovative...from a set of basic principles of creativity and innovation, and tailored to its unique characteristics and circumstances” (Hordon 2007, p.7).

Competitive advantage should be a consideration for Irish architectural practices that need to think creatively to secure new products, services and markets and also maintain and build their reputation for innovative high quality design in order to successfully grow business abroad. Creativity for competitive advantage is influenced by various environmental components. The literature suggests that strategy is delivered through organisational structure, therefore those elements of structure that affect creativity for competitive advantage also need to be considered and is explored in the following section.
4.5 Creativity

Creativity is one of the most frequently used words in relation to business innovation and can be defined in many ways (Von Stamm, 2003). At its simplest, it is based around novel ideas. Amabile et al (1996) defines creativity as “the production of novel and useful ideas in any domain” (p.1155). Creativity has many other aspects beyond the production of a new idea (Bilton, 2007, Whatmore, 1999, Von Stamm, 2003, Amabile et al., 1996) as captured below.

In management literature, and in popular discourse, creativity has two principle aspects. First, creativity is all about novelty or difference – a deviation from conventional tools and perspectives. Secondly, and following on from this, it requires that creative individuals be given the freedom to express their talent or vision.

(Bilton 2007, p.3)

There is recognition within the literature that creativity is often interchanged with or used in relation to innovation however there are subtle differences identified between the two (Von Stamm, 2003, Woodman et al., 1993, Hordon, 2007). The two are linked and yet separate. It is important to understand the difference between them. In order to innovate the organisation must first be creative. Innovation is described as “the successful implementation of creative ideas within an organisation” (Amabile at al. 1996, p.1155). For an organisation to innovate it must provide the conditions which allows individual and group-level creativity to thrive (Hordon, 2007).

Some definitions of creativity do not recognise that creativity is not just for creative industries: that it is also for other types of businesses (Bilton, 2007). Accordingly, definitions of creativity become more complex as they are further refined to be of relevance of business and adding value. Psychological definitions also include the element of novelty (as above) but also include the criteria that the idea must also be useful or valuable (Bilton, 2007). This case for the context of the creativity is made by Ford (cited in West 1997, p.2): “Creativity is a context specific, subjective judgement of the novelty and value of an outcome of an individual’s or a collective’s behaviour”.

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This approach allows for creativity to be judged subjectively by their peers in any industry.

We should define creativity in terms of judgements by people who are familiar with a particular organizational context or profession, and that we should determine creativity by the extent to which these judges agree that a particular idea is both new and potentially useful.

(West 1997, p.2).

Organisational creativity relates to the social setting in which individuals work. The literature suggests that the social environment can influence creative behaviour (Florida et al., 2002, Amabile et al., 1996, Woodman et al., 1993, Goold and Campbell, 2002). Woodman (1993) defines organisational creativity as “the creation of a valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social system” (p. 293). “It is concerned with making connections between individuals and organizations within a creative network or ‘system’” (Bilton 2007, p. 49).

Creativity within a company is referred to as organisational creativity. Organisational creativity can contribute to competitive advantage of companies faced with the need to innovate, to adapt and to be creative. Competitive advantage is “the ability to learn, innovate or continuously reposition with respect to the competition” (Hill and Jones 2004 p.53). Such is the case for Irish architectural practices that facing current challenges and seeking work overseas. This requires organisational creativity on their behalf. Their strategy in moving into new markets should therefore take into account the ways in which their organisational structure supports organisational creativity for competitive advantage, given that the literature determines that organisational structure supports strategy implementation.

The concern of this study is creativity within organisations and therefore the approach towards creativity is to look at creativity within this context. There are different views in relation to the risks associated with encouraging creativity within an organisation.
One would be that “if positioned far ‘outside the box’, creative thinking is novel without being valuable and can no longer connect with an assessment of its value” (Bilton 2007, p.4). However while ultimately being of value, successful companies recognise that creativity needs to be encouraged giving employees freedom to fail also. Companies such as 3M, which explicitly encourages risk and tolerates failure with the company becoming No. 1 on Boston Consulting Group's Most Innovative Companies list in 2004 (Hindo, 2007).

Given that the environment has changed so rapidly its current effect on the creativity is explored as part of this enquiry. It is interesting that Bilton considers that creative outputs need to have a value while the most successful of companies such as 3M allow creativity to ‘fail’, fostering a supportive attitude accordingly. Which approach is adopted by architectural practices will be highlighted in this enquiry and recommendations made accordingly.

4.6 Organisational Creativity for Competitive Advantage

In order to gain competitive advantage, creativity needs to produce outcomes by individuals, groups or organisations (West, 1997). These outcomes need to be of value and are therefore important for various types of organisations (Whatmore, 1999). When a marketplace is competitive, those companies competing in that sector are vying for an ever decreasing market share, forcing companies to explore new strategies in order to redefine the industries and create new products or services, bypassing the competition completely. Pressures on business to deliver creative solutions at a higher speed are increasing. According to Pfeffer (1994), “traditional sources of competitive advantage are not as powerful as they once were” (p1). Companies need to differentiate themselves and compete through product or service innovation and high quality (Bratton et al., 2007). The pace of change is immense and companies need to change their strategies and therefore their structures regularly in order to keep pace.

Therefore managing creativity is important not only to those organisations whose mission is to devise things that are new and valuable (drugs, machines, advertising),
but also for every organisation that has to deal with the practical consequences of change (Seely Brown, 1998). Managers need to seize the initiative, innovate and change for competitive advantage. Therefore for the creative organisation there is a requirement to be flexible while also maintaining the ability to formally manage employees within the organisation to produce new products and services and deliver to new markets accordingly. The literature suggests that informal structures cut across business units and thereby allow companies invent new markets, quickly enter them or shift the choice they offer their customers in existing markets building unanticipated products. The environmental components that affect creativity within the organisation therefore need to be considered.

4.7 Environmental Components that Affect Creativity

The literature suggests that while certain people are more creative than others, creativity can be stimulated in the workplace (Amabile et al., 1996, Von Stamm, 2003, Woodman et al., 1993). There is recognition that creativity cannot be ordered rather, “it relies on intrinsic motivation, on people being enthusiastic inspired and knowledgeable” (Von Stamm 2003, p.2). Accordingly there are various environmental components modelled by Amabile et al. (1996) in which the scales predicted to be positively related to creativity are referred to as “stimulant scales” and those predicted to be negatively related are referred to as “obstacle scales”.

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The table above highlights the work environment factors influencing creativity and is therefore interesting to consider in relation to creativity in Irish architectural practices. The pressure to innovate can become intense as the competition increases as illustrated by Hill and Jones (2004): “as competitive intensity has increased, so has the rate of innovation. Companies strive to gain an advantage over their competitors by pioneering new products, processes, and ways of doing things” (p.67). This can be
identified in Amabile et al. (1996) KEYS model above in which challenging work pressure is identified as an enhancer of creativity. Difficult markets do put pressure on companies but it is often during these times that any myopia that existed before is dispelled (Levitt, 1960).

However, those work challenges can become intense:

Companies operating in volatile or difficult markets believe they have to find new ideas in order to maintain or improve their market share. Most industries want to believe that creativity can deliver a magic answer, a silver bullet. They pray to find the next big thing in the expectation that they can deliver it to the market a little bit quicker than anyone else.

(Warren, 2003, p.xi)

It is interesting that Warren suggests the work pressure to innovate can be intense in turbulent times, while Amabile et al. (1996) suggests that challenging work is seen as an enhancer of creativity whereas workload pressure is seen as an inhibitor of creativity. This study takes place during a period of challenging times being experienced by Irish architectural practices. This raises questions such as: were there work load pressures to deliver quickly during the Celtic Tiger years and did they effect creativity? Can that be compared to challenging work pressures experienced now and how does that contrast?

Central to the research question, this study seeks to explore how strategic choices in relation to structure can deliver competitive advantage through increased organisational creativity for Irish architectural practices with international offices. Therefore this study aims to identify enhancers or inhibitors to creativity within Irish architectural practices. In doing so, the environmental components that effect creativity within architectural practices can be better understood. Due to the scale of those practices seeking work overseas, there is recognition in the literature that organisational structure is required so that the company can be managed and the work ordered. Therefore the various aspects of organisational structure that affect creativity
is explored so that those elements of structure that have an impact on creativity are identified.

4.8 Organisational Structure and Creativity

The optimum environment for creativity within an organisation can either be enhanced or impeded by organisational structure (Uzzi and Spiro, 2005, Amabile et al., 1996, Von Stamm, 2003, Bilton, 2007). The key objective of this study is therefore to explore those elements of structure which enhance and impede organisational creativity. If creativity is a source of an organisation’s competitive advantage, enabling it innovate or change rapidly in shifting markets, then the company’s structure can either encourage or hinder that creativity.

To trade successfully internationally the strategy chosen must be supported by the organisations’ structure. For Irish architectural practices with international offices various dimensions of structure concern creativity in the organisation. For those practices creativity can be enhanced if supported and not impeded by organisational structure. Their structure therefore needs to encourage and promote a more creative organisation to secure competitive advantage.

The previous section outlined strategies which can be pursued aimed at delivering creativity where the emphasis is on innovation. From the literature dimensions of structure need to be considered by any organisation to support strategy implementation. The evidence shows that organisational structure can impede or enhance the organisational environment for creativity: what can be concluded at this stage is that the elements of centralisation, complexity and formality need to be considered in relation to creativity in organisations. This literary review brings these elements together and connects them for the purposes of this study in order to explore how they are experienced in Irish architectural practices with overseas offices as given their scale and widespread geographic locations. Re-structuring is also explored in relation to creativity as the various dimensions of structure considered below may contribute to the ways in which companies may strategically re-structure by supporting creativity for competitive advantage.

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4.8.1 Centralisation

Intrinsic motivation is critical to the work environment for creativity, with a rise in extrinsic motivation leading to a decrease in intrinsic motivation (Amabile et al., 1996). One way to overcome this from a structural perspective is to (partially) decentralise to reduce bureaucratic costs and give more authority to lower levels of the organisation (Hill and Jones, 2004).

Newer and flatter management structures become possible as more information within an organization comes on line. Organizations will no longer be forced to choose between centralization, for tighter control, and decentralization, for faster decision making. On-line technology will make it possible to have centralized control with de-centralized decision making.

(McBride and Scott cited in Davidow and Malone 1993, p.168)

The combination of self-managed teams and de-centralisation of decision making are identified by Tomer (2001) as characteristics of a high performance work system which allows employees have more involvement in the decisions being made and so they work “harder, smarter, more creatively, and more cooperatively than employees in traditional organisations” (p.10).

De-centralisation is highlighted in the literature as providing a better basis for creativity in the organisation as employees at lower levels have more authority and work harder and more creatively. However the literature reviewed in the previous chapter highlights that de-centralisation is a challenge and requires clear strategic intent, supported by an organisation’s structure to share knowledge through collaborative arrangements in order to multiply resources. The approaches taken towards (de) centralisation by those practices is examined in this enquiry in order to make recommendations regarding (de)centralisation accordingly. It is interesting that the literature suggests the concept of partially de-centralising as a solution. Partial de-centralisation, the literature suggests, enables a reduction of bureaucratic (central)
costs together with maintaining authority at lower levels. Authority at lower levels as previous mentioned is an enhancer of creativity.

4.8.2 Complexity

The taller the organisation the less flexible, therefore the flatter the organisation the more creativity is enhanced (Hill and Jones, 2004). The ability of companies to remain flexible when operating in multiple markets requires a flat structure in order to increase creativity for competitive advantage.

The literature suggests that creativity is enhanced by flatter organisational structures as they have the ability to respond quickly. Accordingly this would suggest that if an organisation does have strategies that support creativity; the company’s organisational structure should have the flexibility to adapt and change quickly. For Irish architectural practices the rate of competitive intensity is increased due to a fall in demand for services. What is established from the literature is that as competitive intensity increases, so too does the rate of innovation. Therefore competitive advantage can be gained by those practices that are better placed to pioneer and innovate and this can be better achieved when a flatter structure increases creativity in the company.

4.8.3 Formalisation

Creative work is amenable to low degrees of formalisation as the work is less defined and controlled by rules (Bratton et al., 2007). Smaller organisations differ from larger ones in relation to formality with organisations becoming more bureaucratic as they grow larger (Daft, 2007). When formalisation is low, employees have more freedom to work at their own discretion. In relation to organisational structures, the literature suggests that “internal strife, conservatism, and rigid, formal management structures within organisations will impede creativity...Because individuals are likely to perceive each of these factors as controlling, they may lead to increases in individuals’ extrinsic motivation, and corresponding decreases in the intrinsic motivation that is necessary for creativity” (Amabile et al 1996, p. 1162). Creativity is enhanced by a
flexible, adaptable approach to organisational design (Woodman et al., 1993, Hordon, 2007). High degrees of formalization, as found in unionised workplaces for example, constrain managers’ ability to mobilize creativity (Bratton et al., 2007).

Informal or voluntary structures are organised around knowledge allow the organisation to be even more flexible (Wenger et al., 2002). The literature would suggest that appreciating that both formal and informal structures working together can provide a powerful tool for the mobilization of creativity as the more companies achieve a blend of functional expertise in new ways, the more they build unanticipated products (Hamel, 1990).

Within Irish architecture at present there is a need for formal structures to keep changing or restructuring to meet shifting market needs which exist more and more abroad and in that climate, informal structures such as communities of practice can provide the stability required across the organisation.

4.9 Re-structuring

The previous section established that it is when challenge is at its greatest that is the principle source of creativity (Levitt, 1960, Handy, 1995, Amabile et al., 1996). Therefore rather than considering restructuring due to a challenging market as a disadvantage, it is potentially a contributor to increased organisational creativity. In a challenging marketplace, companies are required to restructure due to a change in strategy and it is these ‘fluctuations, disturbances, and imbalances in organizations that are the primary sources of creativity’ (Kouzes and Posner 2003, p. 186). Irish architectural practices expanding their number of geographic locations may need to restructure or downsize due to market change at home. During restructuring, these practices can take advantage of the opportunity presenting itself and gain competitive advantage by enhancing their organisational creativity by considering those aspects of structure identified above that improve or impede organisational creativity.

The ways companies restructure is linked to global development as boundaries change and new commercial relationships develop. Companies can move away from traditional bureaucracies towards working with business partners as referred to in
Chapter 2 through strategic alliances in networks across distant locations given the requirement for flexibility and global learning (Bratton et al., 2007, Bartlett and Ghoshal, 2002). Companies can elect to set up virtual organisations where people are connected through teleconferencing, the internet and computer-aided design systems but may rarely meet (Bratton et al., 2007). These are new ways of working which reflect changes in global capitalist development.
Figure 13 Types of Organisational Restructuring
Source: Adapted from Mabey, Salaman and Stored, Cited in Bratton et al 2007, p. 399

Figure 13 above highlights these new ways of working as they have evolved and changed over the past century. The literature suggests that low formalisation, complexity and de-centralisation provide the optimum conditions for creativity but this presents a challenge for managers of architectural practices with multi-city offices who need to ensure that these dimensions of structure do not get in the way of the efficient running of the business.

When restructuring the span of control of managers increases with downsizing: organisations then become flatter and herein lies the opportunity for a company to become more creative with a flatter structure (Bratton et al., 2007). There is a paradox in the argument that at the very time companies are ‘off balance’ they can be at their most creative but this is what the literature is consistently attesting.

The literature suggests that restructuring is required when the span of control decreases due to downsizing. Downsizing itself creates a flatter organisation thereby increasing the creative potential of the organisation as highlighted above. Therefore what can be concluded is that, as opposed to considering restructuring due to turbulent
times as a disadvantage, evidence suggests that it during these times, when challenge is at its greatest, that is the principle source of creativity.

How staff either moving or joining overseas offices maintain collaborative relationships with others across the organisation needs to be considered. Strategic alliances with business partners and networks can be considered by those companies entering new locations, however in order to maximise the knowledge and expertise of existing staff the literature would suggest that a blend of formal structures with informal structures would better maintain the collegiate relationships across the organisation so important to the development of new ideas, products and services.

4.10 Summary

Competitive advantage should be a consideration for Irish architectural practices that need to think creatively order to secure new products, services and markets and also maintain and build their reputation for innovative high quality design in order to grow business abroad. Innovation based strategies allow companies leverage their organisations’ creativity for competitive advantage. Creativity relates to the production of novel and useful ideas and is required by companies to innovate new products or services in order to deliver competitive advantage. In an organisation it is influenced by various dimensions of an organisation’s structure which can enhance or impede creativity. Elements of organisational structure identified which affect the work environment for creativity are centralisation, complexity and formality. As a result of major shifts in the market place architectural practices may now consider the re-structuring of their organisations at the present time due to downsizing. Irish architectural companies can consider various elements of their structure in relation to organisational creativity for competitive advantage particularly when re-structuring. How this can be achieved is explored in this thesis in order to make recommendations for best practice.

Various themes emerge in this section, which are explored in the enquiry. Strategies for competitive advantage for those practices seeking work overseas are explored in the primary research. How Irish architectural companies address creativity in their
organisations and whether or not they have strategies around creativity for staff and/or clients are explored as part of this study. Whether or not pressure to deliver at speed during the boom has been replaced with another pressure to find new markets, products or services and the potential impact on creativity will explored. The research explores if there is evidence of the work environment effecting creativity and how that manifests itself. How complex and centralised Irish architectural practices are is considered. The opportunities that a combination of formal and informal structures practice can provide companies is explored. The collegiate relationships that build up through colleagues assisting each other informally in ways that deliver unexpected benefits to the organisation will be considered as part of the primary research. The approach undertaken in that research is outlined in the following chapter.
5.1 Introduction

The purpose of any research is to expand knowledge as well as to solve problems (Bell, 2001) The approach taken to the study significantly affects the content of the research. The purpose of this particular thesis is to address the research question: how can strategic choices in relation to structure deliver competitive advantage through increased organisational creativity for Irish architectural practices with international offices? The research is explorative as it addresses the issue of managing creativity across multiple locations through the organisational structure of a company for competitive advantage. This aim of this study to develop knowledge in this area for the benefit of those companies engaged in creative work internationally.

The approach taken to this study is outlined in order to validate the research, ensure the reliability of the approach, minimise bias and ensure transparency of methods. How research is justified relates to the choices made during the research process and relates to assumptions made about reality. In addressing these assumptions, the researcher adopts a theoretical perspective (Crotty, 2003). That perspective is informed by epistemological assumptions.

Firstly, this Chapter identifies the philosophical stance taken for this study (Crotty, 2003):

- Epistemology informing the theoretical perspective of research
- Theoretical perspectives
- Methodology
- Methods.

Based on the primary data sought and the gate-keepers of this knowledge consideration is given to appropriate methods. The advantage of interview method rather than case study method is outlined and validation of the chosen method of interview is made given the nature of the knowledge being sought. The interview
process is broken down into seven stages from the thematising of the interview to the reporting, each step explained in order to ensure the reliability and validity of this enquiry. Finally the scope of the enquiry explains the purpose of the chosen limits in relation to the timeframe available followed by a summary of the key points.

5.2 Theoretical Perspective

5.2.1 Understanding Epistemology – What It Means to Know

Epistemology: The study or a theory of the nature and grounds of knowledge especially with reference to its limits and validity. Epistemological assumptions underpin any approach to research.

(Remenyi et al. 1998, p.282)

In considering what is and what is not knowledge in the field, from an epistemological perspective there is a distinction between objectivist/positivist research, on the one hand and constructionist or subjectivist research, on the other (Crotty, 1998). These need to be considered in order to fully consider the theoretical perspective behind the methodology to be chosen. In organisational theory issues relate to whether social entities, such as organisations, are considered as objective entities or subjective entities (Bratton et al., 2007).
<table>
<thead>
<tr>
<th>Epistemology</th>
<th>Organisational Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectivism</strong></td>
<td>• Social phenomena have an existence independent of individuals  &lt;br&gt;• Organisation has a reality external to the individuals  &lt;br&gt;• Individuals come and go but the organisation persists</td>
</tr>
<tr>
<td><strong>Constructionism</strong></td>
<td>• Researchers construct reality on the basis of their understandings  &lt;br&gt;• Organisation is a social construction built up from the perceptions and actions of individuals  &lt;br&gt;• Work organisations are produced or constructed by individuals through their social interaction</td>
</tr>
</tbody>
</table>

**Table 5 Epistemology in Organisational Theory**

Source: Adapted from Bratton at al. 2007, p. 26

Constructionism holds the view that

> All knowledge, and therefore all meaningful reality as such, is contingent upon human practices, being constructed in and out of interaction between human beings and their world, and developed and transmitted within an essentially social context.  

(Crotty 1998, p.42)

The epistemological issue is concerned with knowledge creation in this study which looks at the work organisation. This research seeks to “unpick how people construct the world around them, what they are doing or what is happening to them in terms that are meaningful and that offer rich insight” (Kvale, p. 4). The knowledge gained in the research is then reconstructed and analysed to develop theories as a way of describing and explaining issues around organisational structure, strategy, creativity and competitive advantage (Kvale, 2007). The study is constructionist in that the aim

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of the research is to construct meaning from peoples’ realities which are formed by the realities of their social world.

5.2.2 Theoretical Perspective

The knowledge gained from the primary data will be reconstructed and analysed in order to shape the guidelines and contextualise the data for Irish architectural practices seeking to enhance organisational creativity. The theoretical perspective of this research is interpretivist as it looks for meaning arising from the social interaction between people whose experience of the organisation overseas can provide new insights to existing literature (Crotty, 2003). Meanings taught and encountered shape thinking and behaviour and as such this primary research looks at how, for those working in architectural practices, their thinking is affected positively or negatively by what they encounter at work and how the order of that work is shaped through organisational structure. The learnings and personal insights of those people within those organisations offer rich insight into constructing meaning towards answering the research question.

5.3 Methodology

Research methodologies can be broadly classified as being either quantitative or qualitative with each one reflecting different epistemological considerations (Bratton et al., 2007). Quantitative research is “based on testing a theory composed of variables, measured with numbers, and analyzed with statistical procedures, in order to determine whether predictive generalizations of the theory hold true” (Creswell 1994, p.2).

Qualitative research is based on evidence that is not easily reduced to numbers (Remenyi et al., 1998) rather, it takes place in the natural world and focuses on context, is emergent rather than prefigured and is interpretive (Marshall and Rossman, 2006). This approach is more about meaning than measurement, interpreting these meanings and considering their properties (Maylor and Blackmon, 2005, Flick, 2009, Berg, 2004). This methodology is better suited to this study as the
nature of what is real is based on the social realities of those working in architectural practices across various locations and how that relates to their creativity for competitive advantage. For qualitative research, the reality is constructed by the individuals involved in the research situation where evidence “uses words to describe situations, individuals, or circumstances surrounding a phenomenon” (Remenyi et al 1998, p.121). Phenomenology is the study of such lived experiences and this study aims to explore the ways of understanding those experiences to develop a worldview in order to develop guidelines arising out of interpreting and establishing meaning from the data and the literature (Marshall and Rossman, 2006, Creswell, 2007). As such phenomenological research is suited to an enquiry:

In which it is important to understand several individuals’ common or shared experiences of a phenomenon. It would be important to understand these common experiences in order to develop practices or policies or to develop a deeper understanding about the features of the phenomenon.

(Creswell 2007, p.60)

This study is therefore framed using a phenomenological approach to investigate the lived experiences of those practitioners in Irish architectural practices with international offices. Phenomenology rests on the principle that there is a structure and essence to shared experiences (Marshall and Rossman, 2006). The research is interested in the searching for a deeper understanding of lived experiences of creativity in the workplace and in doing so adds purpose and focus to the data gathered in the literature, contextualising it in the real environment. In describing and comparing situations and individuals’ experiences of strategy and structure those elements which enhance or impede organisational creativity for competitive advantage can be highlighted and recommendations towards a theory of best practice developed accordingly. However in phenomenological research, the researcher cannot study the process by remaining independent, but are required to systematically reflect on their impact on the enquiry (Marshall and Rossman, 2006). Furthermore there is a requirement, given my extensive experience of Irish architectural industry to be
sensitive to personal biography and how it shapes this study. Accordingly a values statement is included below.

5.4 Researcher’s Bias / Values Statement

Regarding concerns about personal bias and subjectivity in shaping this research, the strength of the qualitative methods chosen enable development of an in-depth understanding of the research participants to better understand their world and the value of their experiences (Marshall and Rossman, 2006). However personal insights and values that may be brought to the study need to be limited in order to minimise bias the following mechanisms have been put in place:

- Building in time for cross-checking ... and time sampling to search for negative instances
- Providing examples of explicitly descriptive, non evaluative note taking


This approach is consistent with constructionist research which asserts that theoretical or purposive sampling is employed together with instances of negative cases (Denzin and Lincoln, 2000).

At every point in our research – in our observing, our interpreting, our reporting, and everything else we do as researchers – we inject a host of assumptions....Without unpacking these assumptions and clarifying them, no one (including ourselves!) can really divine what our research has been or what it is now saying.

(Crotty 1998, p17)

As well as conducting this study, this researcher is somebody who has worked within the Irish architectural industry for ten years and recognises the potential for bias. For
the research to have value sides must not be taken and/or bias introduced accordingly (Hart, 2005). Such bias may be intentional or unintentional. The tacit knowledge gained over this period of time can provide insights that are unique. This is based on industry experience and knowledge gained primarily in a large architectural and interior design practice with international offices which experienced both rapid growth and rapid decline in size over the last ten years. However that experience should not contribute as seeking the answers the researcher might want to discover. Potential ethical conflicts are described in Figure 14 below:

![Figure 14 Paradigm of Potential Ethical Conflicts](source: Hart, 2009, p.309)

Hart (2009) outlines that the ethics researchers hold as individuals do not always accord with those of others. Placing those ethics within the above framework helps the researcher conceptualise potential problems which may exist, ethical decisions to be made and allows others to choose also. Therefore the value of this research lies in the researcher taking full responsibility for choices made and for choosing well. Accordingly this enquiry takes into account the potential ethical conflicts ensuring that the research question is addressed through the primary data collected, extrapolated from the literature and not from answers I may wish to find.
5.5 Research Methods

The two research methods of case study and interview were considered for this study as both can be used to research the organisation and organisational processes (Yin, 2009, Marshall and Rossman, 2006). This primary research aims to relate the shared experiences of Irish architectural practices with international offices regarding strategy, structure and creativity for competitive advantage and make recommendations based on that analysis. Both methods could provide data and the type of knowledge required to produce a complete piece of research and answer the research question (Bell, 2001). Following careful consideration of both methods, interview was chosen for the reasons outlined below.

5.5.1 Case Study Method

Case studies as a research method are used widely “to contribute to our knowledge of individual, group, organisational social, political and related phenomena” (Yin 2009, P. 4). With case studies the researcher “explores a single entity or phenomenon (“the case”) bounded by time and activity” (Creswell 1994, p.12). The exploratory case study model (Yin, 2009) was considered for this study. This approach was considered as the primary data sought explores people’s experiences and practices and allows generalizations from a specific case to a more general issue (Blaxter et al., 2008) within Irish architectural practices seeking to internationalise leveraging their organisational creativity for competitive advantage.

The distinctive need for case studies occurs when there is a need to understand complex social phenomena (Yin 2009). The case study method would allow this investigation to retain the meaningful characteristics of real-life events. It would also provide insights into a limited number of companies experiences’ of organisational structure, its relationship with strategy and how they affect creativity in the workplace. Case studies allow for generalisations from a specific instance to a more general issue however in this study the complexity of the research question would make analysis difficult from specific instance. Case studies can provide a data source from which further analysis work can be made (Blaxter et al., 2008). This could be
useful if a particularly positive instance was identified in relation to an organisation which had clear strategies around the elements of structure which enhance or impede organisational creativity for competitive advantage and lead to further research work.

There are also disadvantages to case study as an approach. These relate to the credibility of generalisations which can be made from its findings (Denscombe, 2004). The literature on research methodologies suggests that where there is a potential for bias the researcher does what s/he can to eliminate that. Therefore it is important that this investigation looks at more than just one company which is working internationally and compare the experiences for those that have failed to those that are successful to those who are starting out in order to ensure the value and reliability of the findings. Furthermore “case studies are often perceived as producing ‘soft’ data” and “the approach gets accused of lacking the degree of rigour expected of social science research” (Denscombe 2004, p.40). A case study would not deliver the wealth of information required as there would be a lack of opportunity for triangulation. In order to answer this research question, the enquiry must take different perspectives on the issue of creativity in the workplace and how structure effects that. It must then construct meaning from those perspectives and combine them with the theoretical perspectives as outlined in the literature review (Flick, 2009).

5.5.2 Interview Method

Interviewing is used extensively by qualitative researchers. Kvale (2007) defines the qualitative research interview as “a construction site of knowledge....An interview is literally an inter-view, an inter-change of views between two persons conversing about a common theme (p.21). While “interviewing may be defined simply as a conversation with a purpose” (Berg 2004, p.75), Kvale (2007) asserts, that the qualitative interview is a key method by which a researcher can explore the ways the subject of those being researched experience and understand their world.

The interview seeks to “obtain descriptions of the interviewees lived world with respect to interpretation of the meaning of the described phenomena” (Kvale 2007, p.11). This research is being carried out in a phenomenological vein and as such the
interview technique is highly appropriate. In addition, interviews are useful when those being interviewed cannot be directly observed and those being interviewed can provide historical information (Creswell, 1994). The interview also allows the researcher “control” over the line of questioning (Creswell 1994, p.150) while at the same time allowing adaptability so that the research can probe responses further (Bell, 2001). The strength of this approach is that it can yield information quickly which is a consideration given this study forms part of a taught Masters programme.

The interview is not without its weaknesses: the interview involves interaction between two people and co-operation is essential (Marshall and Rossman, 2006). Interviewees may be reluctant to share the information being sought. Access to individuals is more important in qualitative research than it is in quantitative research as the access being sought is either closer or more intense (Flick, 2009). In order to minimise access issues trust needs to be developed with the participants to form a working partnership for the purposes of the research. The researcher’s presence at the interview may bias responses with the interviewee filtering information to the researcher (Creswell, 1994). Separately the bias of the interviewer may entirely invalidate the results of the interview inquiry if not acknowledged (Kvale, 2007). This has been considered in the bias statement above and the questioning has been born out of the information gathered in the literature review. Interviews are time-consuming, analysing the responses can present problems and the wording of the questions can be as demanding as the wording of questionnaires (Bell, 2001). In addition to being labour intensive, phenomenological interviewing requires a reflective turn of mind on the part of the researcher (Marshall and Rossman, 2006).

The interview method is selected as the most appropriate research method for this enquiry within the timescale available as it allows the comparison of a number of companies lived experiences thereby allowing for:

- adaptability allowing the follow-up of ideas and probing of responses (Bell, 2001)
- the generation of substantial in-depth qualitative information (Hart, 2005)
the relation of “individual responses hermeneutically to the big picture set by the research questions” (Hart 2005, p.357).

5.6 The Interview Process

The advantages of the interview method outlined above have particular strengths to this research as the question seeks to establish if strategic choices in relation to structure deliver competitive advantage through increased organisational creativity for Irish architectural practices with international offices. Therefore the ability to relate various responses to that big picture question, delivers a wealth of information which contribute to the research answer accordingly. There are various stages to the interview process which need to be considered. Kvale (2007) outlines the seven stages to an interview enquiry which may “assist the interviewer through the potential hardships of a chaotic interview journey and contribute to retaining the initial vision and engagement” (p.36).

Given the novice status of my role as a researcher, these stages are therefore followed and are outlined in Figure 15 below:

![Figure 15 Kvale’s Seven Stages to an Interview Enquiry](source)

Source Kvale 2007, p.131.
5.6.1 Thematising the Interview

The clarification of the purpose of the study is – the ‘why’ as it is referred to by Kvale (2007), involves thematising an interview. The interviews in this study are exploratory in purpose as their aim is to determine how strategic choices in relation to structure might deliver competitive advantage through increased organisational creativity for Irish architectural practices with international offices. The exploratory interview allows the researcher to follow up on interviewees answers and seek new information and new angles on a topic (Kvale, 2007).

Thematising the interview also involves clarifying the theme of the study. This relates to the subject matter knowledge – the ‘what’ as it is referred to by Kvale (2007). This enquiry’s literary review has developed a conceptual and theoretical understanding of the phenomena to be investigated “in order to establish a base to which new knowledge will be added and integrated” (Kvale 2007, p. 39). Those phenomena relate to a company’s strategy, how strategy is implemented by the structure, why an organisation might restructure and the work environment for creativity for competitive advantage for Irish architectural practices.

<table>
<thead>
<tr>
<th>Themes for coding the phenomena under investigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Background / Overseas Strategy / Strategy implementation</td>
</tr>
<tr>
<td>2 Strategy / Competitive Advantage / Creativity</td>
</tr>
<tr>
<td>3 Organisation structure / internationalisation</td>
</tr>
<tr>
<td>4 Company Structure / Dimensions</td>
</tr>
<tr>
<td>5 Work environment / Creativity</td>
</tr>
</tbody>
</table>

Table 6 Themes for Coding the Phenomena under Investigation

The thematic questions to be asked in this enquiry are outlined in Appendix B attached herewith in which the reasons for the questions and the researcher’s expected response are also included.
5.6.2 Interview Design

The constructionist worldview asserts that researchers employ theoretical or purposive sampling models as opposed to random sampling. They seek out groups, settings, and individuals where the phenomenon being researched is most likely to occur. Therefore a focus on cross checking and negative cases is a key feature of this process (Denzin and Lincoln, 2000). The research into negative cases is important to this study from an axiological perspective given the presence of personal values and potential for bias. This bias can be limited by building in time for cross-checking and time sampling to search for negative instance (Marshall and Rossman 2006).

5.6.2.1 Sample Size

Sampling decisions cannot be made in isolation. There is no decision or strategy which is right per se. The appropriateness of the structure and contents of the sample, and thus the appropriateness of the strategy chosen for obtaining both, can only be assessed with respect to the research question of the study: which and how many cases are necessary to answer the questions of the study?

(Flick 2009, p.125)

Interviews with Managing Directors in the field of architecture are required. In developing a purposive sample for this investigation, architectural practices in Ireland actively considering international growth, as evidenced by their opening up of offices outside of Ireland and becoming part of Enterprise Ireland’s Leadership for Growth Programme for the Construction Sector Programme, thereby focussing on growing exports in internationally traded services of which there are seven.

Interviews from a potential of seven were considered in order to allow cross-checking and time to search for negative instances. For that reason it is important to interview a mix of companies. Therefore Irish architectural practices with well established
overseas offices, practices contracting from their overseas operations and practices beginning to look abroad were interviewed. To ensure the value of the research, its reliability and validity four companies were chosen for interview and the process by which those four were selected is outlined in the table below.
### 5.6.2.2 Sampling Frame

<table>
<thead>
<tr>
<th>Name of ROI Practice</th>
<th>Offices outside ROI</th>
<th>Engaging in Enterprise Ireland’s Leadership for Growth Programme / Suitability</th>
<th>Status / Prestige</th>
<th>RIAI</th>
<th>Contact</th>
<th>Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Murray O’Laoire</td>
<td>Russian Federation (Moscow) Slovakia (Bratislava) Germany (Aachen)</td>
<td>Yes</td>
<td>Successfully trading internationally</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>HKR</td>
<td>UK (Belfast, London, Manchester) Czech Republic (Prague) Romania (Bucharest) Middle East (UAE) India (New Delhi)</td>
<td>Yes</td>
<td>Successfully trading internationally</td>
<td>Yes</td>
<td>Yes</td>
<td>Not available for interview</td>
</tr>
<tr>
<td>Douglas Wallace</td>
<td>UK (Belfast, London) Czech Republic (Prague)</td>
<td>Yes</td>
<td>Liquidated contracting their international offices</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>O’Mahony Pike</td>
<td>UK (London) Bahrain in planning</td>
<td>Yes</td>
<td>Emerging expanding company</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Henry J.Lyons and Partners</td>
<td>UK (Liverpool) Asia (Shanghai)</td>
<td>Yes</td>
<td>Successfully trading internationally</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Reddy Architecture + Urbanism Group</td>
<td>UK (Belfast), Romania (Bucharest) Poland (Warsaw)</td>
<td>Yes</td>
<td>Status of international offices unclear following phone call</td>
<td>Yes</td>
<td>Yes</td>
<td>Not available for interview</td>
</tr>
<tr>
<td>RKD</td>
<td>UK (Belfast)</td>
<td>Yes</td>
<td>Not enough international exposure</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Table 7 Sampling Frame
Regarding candidate suitability, Douglas Wallace has closed offices in London and Belfast during 2009 and is contracting its international overseas office base accordingly. O’Mahony Pike have offices in London at present and are actively looking expanding their international presence looking at opening in Bahrain in the near future having invested a lot of time in that market recently. Both MOLA and Henry J.Lyons are more established and have been working internationally since 1992 and 1970s respectively. This sample size gives a good cross-section of experiences reflecting as it does a variety of experiences which can all contribute to the research question accordingly.

Figure 16    Research Sample of Confirmed Companies

It is a disadvantage to this enquiry that access was an issue when the considering interviewing the Managing Directors of International architectural practices which have an overseas office in Ireland. Given that there is an international element to this enquiry. This might have provided alternative experiences which could have enriched the findings. Those identified as having same are outlined on figure 17 below. Given that they are located abroad and due to financial and time constraints, this source of participants was not pursued for this study.
5.6.3 Interviewing

Given that more than one opinion is required, a degree of systemization is questioning is necessary to explore topics and help uncover views (Marshall and Rossman, 2006). Interview formats can be semi-structured, standardised (most formally structured) or un-standardised (completely unstructured) (Marshall and Rossman 2006). The interviewees are all experts in their fields of architecture they are not however recognised experts in the fields of strategy or organisational behaviour: the interview therefore needed to have a degree of formality in order to probe what they consider the realities of those to be. Consequently, semi-standardised interview allow predetermined questions in relation to special topics be asked while also permitting the interviewer “probe far beyond the answers to their prepared standardized questions”.

5.6.3.1 The Semi Structured Interview

Semi-standardized Interviews are:

- More or less structured
- Questions may be reordered during the interview
- Wording of questions is flexible
- Level of language may be adjusted
- Interviewer may answer questions and make clarifications
- Interviewer may add or delete probes to interview between subsequent subjects

(Marshall and Rossman 2006, p. 79)

Flick (2009) outlines the elements the interview questions need to develop to reconstruct subjective theories. The term subjective theory refers to the interviewees’ ‘complex stock of knowledge about the topic under study’ (Flick, p156). This knowledge carries assumptions that are explicit, complimented by implicit assumptions. Explicit assumptions are answered spontaneously by open questioning. Based on findings from the literature review and the researcher’s theoretical presuppositions theory driven, hypotheses-directed questions are asked in order to make the interviewees implicit knowledge more explicit – assumptions that the interviewee can take up or refute. Finally, confrontational questions are asked when appropriate responding to the interviewee’s theories “in order to critically re-examine these notions in the light of competing alternatives” (Flick, p157).

5.6.3.2 Testing

These questions were tested by the researcher by conferring with an Managing Director of a construction sector company prior to interviewing any participants. Following testing, changes in relation to some academic language being better understood in the vernacular language of the sector were made where necessary which Kvale (2007) acknowledges is sometimes useful to the interview process. In addition an opening question in relation to the interviewees’ own personal background within the company was included which Denscombe (2004) advocates allows the interviewee a chance to settle down and relax by covering familiar territory at the beginning of the interview.

Following the first interview which was with Mr. Paul O’Brien, Managing Director of Henry J.Lyons two changes were made to subsequent subjects, which according to
Marshall and Rossman (2006), is a feature of semi-structured interviews as they allow the interviewer add or delete probes and also make clarifications as required. A full transcript of Mr. Paul O’Brien’s interview is available in Appendix C.

5.6.4 Transcribing

The interviews were carried out in the offices of the interviewees. There are few standard rules in relation to verbatim oral versus written style of transcribing rather the report should state explicitly how the transcriptions were made (Kvale, 2007). The interviews were recorded and transcribed shortly thereafter by the interviewer and not by any third party. To ensure reliability each tape was re-listened to, in order to resolve mishearing and misinterpretations of barely audible passages (Kvale, 2007). When satisfied that the transcription was reliable the corresponding transcriptions were then sent to the interviewees accordingly. Kvale (2007) proposes that if transcripts are to be sent back to interviewees for checks, their rendering in a more fluent style should be considered. The validity of the transcriptions relates to their intended use. Transcribing “involves translating from oral language, with its own set of rules, to a written language with another set of rules...they are interpretive constructions that are useful tools for given purposes” (Kvale 2007, p. 98).

5.6.5 Analysis

While no standard method exists to arrive at the essential meanings and implications of what is said at interview, there are some common approaches and techniques which “useful for some purposes, relevant to some types of interviews and suited to some researchers” (Kvale 2007, p.103). The modes of analysis can be grouped into those which focus on the meaning of what is said, those which focus on linguistic analysis, a combination of multiple forms of analysis referred to as Bricolage and finally theoretical reading whereby the researcher reflects theoretically on specific themes of interest.

This enquiry employs interview analyses focussed on meaning and as such endeavours to depict the relevant experiences of those interviewed in a way that is detailed enough
to allow the researcher delve into phenomena in-depth to reflect the complexity of the world of architectural practice under investigation (Denscome, 2004). The analysis therefore allows descriptions that appear to be self-contradictory and irrational and the researcher does not impose some artificial order by trying to remedy inconsistencies (Denscome, 2004).

Analyses focusing on meaning are broken-down as follows:

- Meaning coding
- Meaning condensation
- Meaning interpretation

(Kvale 2007, p.104).

Coding involves attaching keywords to a text segment so that later identification of a statement; meaning condensation involves an abridgement of the meanings expressed into shorter formulations and finally the interpretation of the meaning goes beyond what is said re-contextualising the statements within broader frames of reference. The interviews are broken-down as indicated above and included herewith in Appendices C - F

5.6.6 Verification

The verification of any research is vital to its credibility. Credibility cannot be taken for granted and therefore needs to be demonstrated as part of the process (Denscome, 2004). Traditionally the basis for judging the quality of the research has been validity and reliability discussed herewith terms of the objectivity and generalisability of the enquiry. Reliability relates to the consistency and trustworthiness of the research findings (Kvale, 2007). Validity refers to the accuracy and precision of the data (Denscome, 2004) which in the social sciences “relates to whether a method investigates what it purports to investigate” (Kvale 2007, p122).

5.6.6.2 Generalisation
The reliability and validity of expected results concerns generalising from interview studies. Not all knowledge is valid for all places and times. This enquiry has adopted a constructionist approach which conceives knowledge as “socially and historically contextualised modes of understanding the social world” (Kvale 2007, p126). The knowledge gained in this research pertains to the experiences or Irish architectural practices and is gathered at a time when the marketplace in Ireland is turbulent. Therefore the knowledge gained may or may not be transferred to other relevant situations. Knowledge produced by interviews may be subjected to generalisation: where possible the researcher arrives at conclusions and recommendations justifiably generalised from the findings of this research in Chapter 7.

5.6.7 Reporting

The reporting approach adopted in presenting interview passages in Chapter 7 is governed by the following three guidelines suggested by Kvale (2007) as improving the reporting of interviews with the final report in mind in order to provide rich contextual information to validate and generalise the results where appropriate:

- The quotes are contextualised to include the question that promoted the answer.
- The interview quotes will be written in a readable style with for example characteristic repetitions and pauses omitted.
- The interview quotes will be loyal to the habitual language of an interviewee in order to do justice to the interviewees.

5.7 Ethics

The general overlapping guidelines for codes of ethics for professional and academic associations “for directing an inductive science of means toward majoritarian ends“ (Denzin and Lincoln 2000, p. 138) are:

1. Informed consent
2. Deception
3. Privacy and confidentiality
4. Accuracy.

In addressing these ethical concerns this study took the following approach:

1. Consent to be sought via e-mail outlining what the purpose of the interview is, seeking voluntary participation by the interviewees to participate in same.
2. Given that deception is neither “ethically justified nor practically necessary” (Bulmer cited in Denzin and Lincoln 2000, p.139) it will form no part of this study.
3. Privacy and confidentiality were a consideration of the ethics of this thesis given that confidentiality was not possible. This particular study required gatekeeper knowledge in the field of architectural practice and therefore it was important that the identity of those interviewed was disclosed. Therefore the researcher informed the interviewees that confidentiality is not possible. See Appendix A which contains the e-mail forwarded in advance to all interviewees regarding same.
4. To ensure accuracy transcripts of the interview is offered to the interviewees for their consideration.

5.8 Scope

The ultimate aim of this project is to develop best practice guidelines for optimal organisational structure of architectural practices that supports creativity which can thereby enhance competitive advantage. The sample size is representative of those practices with international offices with four Managing Directors of practices being interviewed. Due to the practicality of the time-limits associated with the project no international Managing Directors with Irish offices were interviewed.
5.9 Summary

Figure 18 Summary of Research Methodology

Figure 18 above summarises the research methodology. The epistemology of this research which is constructionism as the knowledge gained in this primary research will be reconstructed and analysed to allow the development of theories as a way of describing and explaining social issues. The theoretical perspective of this research is interpretivist as the research question will be addressed by looking for meaning arising from the social interaction between people in Irish architectural practices and how elements of structure impact on their creativity. The methodology is that of phenomenological research as it considers the shared experiences of those Irish architectural practices of working internationally. The semi-structured interview is the chosen research method as it allows for the comparison of a number of companies within the timeframe.

The interview process is broken down into several stages from the thematising of the interview to the reporting, each step explained in order to ensure the reliability and validity of this enquiry. Finally the scope of the enquiry explains the purpose of the chosen limits in relation to the timeframe available. The information gathered from those interviews is presented and analysed in the next chapter of this research.
Chapter 06 | Presentation / Analysis of Primary Data

6.1 Introduction

This section of the thesis aims to uncover meaning from the data in the interview transcripts and bring that meaning together with the literature. The primary data is firstly presented using the mode of interview analysis outlined in the previous chapter. The transcripts are coded and their meaning interpreted by the researcher and condensed as simply as possible in Appendices C – F. This section of the study firstly presents the key points of the primary data and then interprets the meaning of those units in terms of the specific purpose of this study (Kvale, 2007). It secondly analyses the meaning of those units with the literature in order to make assertions about the phenomenon in the conclusions and recommendations in the final chapter (Hart, 2005). A summary of the key points as presented at the end.

6.2 Presentation of Interviews

This enquiry’s literary review has developed a conceptual and theoretical understanding of the phenomena to be investigated. By thematising the interview process the following phenomenon is explored which relate to a company’s strategy, how strategy is implemented by the structure, why an organisation might restructure and the work environment for creativity for competitive advantage for Irish architectural practices. These themes are presented in the sections below.

<table>
<thead>
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</thead>
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</tr>
<tr>
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Each section firstly outlines the question asked and the purpose of the question in relation to this enquiry. It then presents the key points of the primary data and then interprets the meaning of those units in terms of the specific purpose of this study (Kvale, 2007). The full natural units of these interviews are included in Appendices C-F.

6.3 Background / Overseas Strategy / Strategy Implementation

6.3.1 Question: Can you tell me some of the background to the organisation and your role within it?

6.3.1.1 Purpose of the Question

This is an introductory question which establishes the world view of interviewees. It sets to establish a rapport between the interviewer and the interviewee in an area that is very familiar to those being interviewed. Such opening questions Kvale (2007) suggests ‘may yield spontaneous rich descriptions where the subjects themselves provide what they experience as the main aspects of the phenomenon investigated’ (p.61).

6.3.1.2 Key Points in the Answers

Three of the Managing Directors joined long established practices and worked their way up through the ranks to become Partners and then Managing Directors. Hugh Wallace of Douglas Wallace is the only founding partner.

Brief backgrounds were given. Paul O’Brien has worked in the Middle East in the 1980s with Henry J.Lyons & Partners. Calbhae O’Carroll was the first Director of MOLA outside Limerick, heading up the Dublin office. Hugh Wallace is currently focussed on bringing Douglas Wallace through Liquidation at present, renaming it DW². John O’Mahony of O’Mahony Pike saw the impact of the crash in the UK on their London business in the 1990s, saw through its recovery with James Pike,
became a Director and changed the name of the company from Delaney McVeigh & Pike to O’Mahony Pike at that time.

O’Brien says that company Henry J. Lyons always worked abroad, not just in last 20yrs or so, and is recognised in a worldwide capacity. He outlines this as follows:

‘Henry J.Lyons is a very old established practice. It’s over 90 years old, so it’s been around for quite a while. I joined it in 1981. I’ve worked my way up through the ranks. I suppose we worked traditionally abroad as well, when times were hard in the early 1980s/mid 80s we worked in the Middle East and in other places so we’d have established contacts with different firms and different organisations.’

(O’Brien, Appendix C)

Wallace enjoyed continuous growth in the 1990s of between 15-20% without having to do anything to achieve those results. He explains:

‘There was a haphazardness about value and money and we’d all just got on a boat and gone down the river.....nobody minded that London kept making losses because as an overall company we were just making money.’

(Wallace, Appendix D)

MOLA currently have 180 staff spread over 6 offices in 4 countries: Dublin, Limerick, Cork, Bratislava, Moscow and Aachen.

For O’Mahony Pike when the crash hit the UK in 1992, the company closed its office there. The boom hit Ireland in 1995/6, at which point they were Dublin-based company only.

6.3.1.3 Analysis of the Primary Data
It is clear from their tenure with their respective companies that these participants have a wealth of experience gathered over many years. It is also evident that the individual companies are at different stages of maturity as international practices. Both Henry J.Lyons and MOLA are well established abroad while O’Mahony Pike internationalised more recently. Douglas Wallace experienced rapid growth during the boom but during that period became complacent regarding the business side of the practice.

6.3.2 Question: How and when did your organisation evolve from a national business to an international one? What were the decisions that led to that?

6.3.2.1 Purpose of the Question

The question is an open question seeking explicit knowledge regarding strategies for growth. The purpose of this question is to establish whether the evolution from a national focus to an international one was either opportunistic or to uncover what were the driving forces that led to expansion. It seeks to explore whether or not the practices made strategic decisions that led to expansion. The responses should also reveal the period in the economy when those decisions were made.

6.3.2.2 Key Points in the Answers

O’Brien first thought about internationalisation in the 1970s due to difficult times in Ireland. Before that the company was working in Saudi and the Middle East. The company opened an office in Belfast and London in the early 1980s when the market became difficult in the Middle East.

Douglas Wallace opened their London office in the mid 1990s following a clear strategy to internationalise, but Wallace says that the company never got the management structure correct therefore the overall growth was false due to the exponential growth in Ireland resulting in a lack of focus. The company had 160 staff and now has 10. Wallace estimates that in the future 50% of work will come from overseas, delivered through outsourcing.
MOLA’s approach to internationalisation was opportunistic at first according to O’Carroll. The company opened offices in Moscow in 1992 going there initially with a group of Limerick business men. He outlines how this happened:

‘Communism had just collapsed, Russia was now open. Aeroflot flights were all now landing in Shannon to refuel. A group of Limerick business men decided to give Moscow a go. They invited Hugh Murray along to advise them on property acquisition. When he was out there he just picked up a big job - a bank head quarters. It could be whatever he wanted it to be. There was no regulatory system: you just built. It was all wild east frontier-type stuff. So we just gave it a lash and that turned out to be profitable, very profitable, so we thought we’d give Moscow a go. It was just a flier.’

(O’Brien, Appendix C)

The decision to open in Warsaw was more strategic in 1999 but recession fell and that office closed, the Bratislava office was following the request of a client in 2005 and the Aachen office was to facilitate staff retention. MOLA had ambitions to work further afield but boom in Ireland got in the way believes O’Carroll.

O’Mahony says that the decision to open a London office was more strategic; recognising a slowdown in Ireland, he says that the company saw potential in London in 2003 with the UK. The market had 64million people which was significantly larger than the 4million in Ireland. O’Mahony Pike now have 61 staff down from 140 in 2007.

6.3.2.3 Analysis of the Key Points with the Literature

For Henry J. Lyons economic change became the driving force behind expansion decision in the 1970s and subsequently changes in the economy in the Middle East in the 1980s according to O’Brien. Changes in economic circumstances drove O’Mahony to begin to look at the UK in 2003 when things began to slow down in Ireland. Economic slowdown leads to a change in the long-term industry growth rate. This is recognised in the literature as one of the key driving forces of industry change in relation to crafting and executing strategy (Thompson et al., 2005).
For MOLA there was a mix of ‘driving forces’ behind expansion which were considered by O’Carroll as being opportunistic. On closer analysis the firm went into Russia with a group of Limerick business men, into Bratislava with an existing client and into Aachen with existing staff. These reasons were all contributing factors towards a reduction for the company in uncertainty and business risk recognised in the literature as a key driving force of industry change (Thompson et al., 2005). It is the strategists task to identify forces impacting on the industry and on the company in order to prepare effectively. These forces were recognised by practices but whether they became more strategic in their planning has yet to be determined.

Clearer strategies are evident in Douglas Wallace’s expansion into the UK and MOLA’s expansion into Warsaw. However it is interesting that the execution of those strategies both failed: Douglas Wallace’s failure is attributed by Wallace to not getting the management structure right while MOLA closed the operation in Warsaw when recession hit. Even though they were following strategies their reason for failure needs to be explored in order to examine why this was the case.

Wallace’s identification of not getting the management structures in place to support the expansion as a source of failure for their expansion into the UK is important to this study. The literature shows that strategy implementation refers to the process by which strategies are put into place and that changes in a company’s strategy should be followed by changes in a company’s organisational structure as put simply ‘structure follows strategy’ (Wheelan and Hunger, 2000, Whittington, 1993). According to Wallace:

‘I think that what actually happened is: the acquisition, fine, was part of the strategy, but the issue is that having had a strategy to do this then the management and the delivery just didn’t take place’.

(Wallace, Appendix D)
What can be learned from this failure is that even when strategies are in place, companies need to consider the co-ordination of their resources in order to put them to good use to achieve and follow strategy and implement it accordingly. Strategic implementation is critical to any strategy’s success.

MOLA’s opening in Warsaw can be seen as an offensive strategy in what is identified in the literature (Wheelan and Hunger, 2000) as a bypass attack by the company in attacking the Polish market: manoeuvring around competitors to capture un-occupied or less contested territories, due to Poland’s non-membership of the EU at the time however the market was hit by recession subsequently. According to O’Carroll:

‘Yes, we decided consciously to move into Poland. It was the most important of the new accession country markets. It wasn’t an accession country but we knew that by then it would be. It was the wrong time to go in. We gave it about three years and then closed it. There was no work in Warsaw. It went through quite a bad recession in those years and so we couldn’t have picked a worse time to try and start up a business there.’

(O’Carroll, Appendix E)

This would suggest that the weaknesses of that market were not taken fully into consideration in the strategic planning process. The strategic planning process needs to be better undertaken to consider all the factors which may contribute to market change.

The evidence shows that even where people have experience and a strategic focus they can still fail. Therefore training for managers in strategic planning is recommended as this could assist Irish architectural practices better undertake strategic planning and its implementation accordingly.

The focus on the UK for most of these companies with the exception of MOLA for initial expansion internationally is noteworthy as the literature. Carvalho et al. 2007
highlights the fact that a threat to internationally traded construction services is their dependence on the UK market. There is a greater mix of new markets being considered currently, since that report was written in 2007, decreasing the level of dependence on the UK. Why this is the case has yet to be established.

6.3.3 Question: Was there a clearly defined strategy? How was that strategy implemented?

6.3.3.1 Purpose of the Question

This is a theory driven question to see whether or not there was a clearly defined strategy and whether or not strategic implementation was considered by any of those interviewed. The literature suggests that strategy formulation and strategy implementation should be viewed as two sides of the same coin. The question explores this concept in practice. Findings from the literature suggest that successful strategic implementation depends on organisational structure and re-structuring to support strategic goals.

6.3.3.2 Key Points in the Answers

In the 1980s Henry J. Lyons’ approach was about survival and not a strategic decision. Currently they talk about rolling out a particular brand of architecture with that strategy being more about the brand which, for them, relates to the quality of the architecture and design. Porter (1990) refers to this as a broad target of competitive scope for competitive advantage, valuable to a wide range of customers.

Douglas Wallace had clearly defined strategies however its last business plan was not implemented. The company had made an acquisition which was fundamental to the strategy but became an impediment. The management and the delivery of the business plan did not take place. The economy changed and company KPIs became a smoke screen for how badly the company was doing. Recommendations in relation to strategic planning training for managers, where there is evidence of bad planning or implementation, have been made above. This reinforces that recommendation.
MOLA now has a very conscious strategy. Answering a question in relation to strategy implementation O’Carroll says:

‘Everything has changed now. The recession has forced us to look abroad. Now we have a very conscious strategy to expand into other markets.’

(O’Carroll, Appendix E)

O’Carroll says that the company now has a vision for the next five years. From that the practice answers the question ‘how are we going to get from here to there’. The management then define a direction, priority target markets, priority sectors and how they are matched together. They then look at the people and match them to those sectoral or locational opportunities: 6 key sectors and 5 key priority markets.

O’Mahony says that the strategy around opening in London was that there the company could do less specialised work there than they were doing in Ireland at the time, where they had become pigeon-holed as residential and mixed use architects. Their strategy was to get more into healthcare, schools and master-planning. Answering a question regarding whether their reduced staff numbers are now at a sustainable level O’Mahony says:

‘There is no work. To say there is some work would be wrong – there is no work; no money in the system, there is no liquidity. The construction industry is seen as poisonous by the Government. There is just no activity.’

(O’Mahony, Appendix F)

The company has offices in Cork, London and Dublin and is now looking at opening in Bahrain having set up a joint venture there and is now waiting for a job to materialise. There is a clear strategy for overseas expansion. Bahrain was chosen as there were too many practices in Dubai; Abu Dhabi was too expensive and hit by credit crunch; Oman was off the beaten track and it is difficult to recruit staff to Saudi. Bahrain is strong in financial services; accessible from Saudi and Katar in the near
future; English speaking and relatively liberal. It has strong Irish connections (ESB, RCSI, Mastoc). The company was limited financially to choosing one target market in the Middle East with competitors looking at multiple ones. Bahrain was not on anyone else’s radar and the middle market there was not well serviced. Difficulties in implementation are that as a result of having the office in Bahrain they are now contacted to do work even further afield (Buenos Aries / Barbados). But their strategy is to do work in Bahrain, it’s a disciplined approach as when a job is eventually won staff, earmarked now, will be sent.

6.3.3.3 Analysis of the Key Points with the Literature

Strategies are in place regarding expansion more recently in all the above companies to a greater or lesser extent. Henry J. Lyons consideration at present is how their strategy relates to their brand and the quality of their architecture and design. By doing so the company can answer the question where it ‘wants to go’ which relates to strategic planning given the literature defines strategy as ‘the master plan’ of the company (Wheelan and Hunger, 2000).

Douglas Wallace had clearly defined strategies but Wallace says that they were not implemented. The implications of this were detrimental for the company, while the management structure has already been identified as a contributing factor to this failure was further compounded by here by explaining that the management and the delivery did taking place. Strategic implementation is therefore a key consideration in any strategic planning process. Without an integrated approach to strategic planning the plan cannot be achieved (Hill and Jones, 2004).

MOLA’s strategy is very clearly defined according to O’Carroll and the planning also takes an integrated approach as it considers how that strategy will be implemented by matching the people to the locational or sectoral opportunities that form part of the strategy. There is clear evidence here of a company becoming more focused on strategic planning in the past year following recession and looking at additional markets. The literature suggests that an expanding market keeps people from having to think very hard or imaginatively (Levitt, 1960) and that, paradoxically, more
turbulent times provide a prelude to creativity and some new order (Handy, 1995). Douglas Wallace’s complacency doing the boom has already been highlighted above. Here there is evidence of a company not drifting and growing in an opportunistic way unlike other design companies in the late 1990s (Bradley McGurk Partnership, 1999), and not suffering from a lack of strategic focus (Carvalho et al., 2007). Rather it is thinking strategically about where it is going, how it is going to get there and who will do the work.

O’Carroll’s identification of 6 key sectors and 5 key priority markets for MOLA reaffirms that Irish architectural companies require scale in order to internationalise given that internationally there is an emerging trend towards larger projects which requires this to be the case (MBD, 2008).

O’Mahony Pike also has a clearly defined strategy and its implementation has also been considered carefully. Their selection of Bahrain as a new market is an interesting development as in seeking to bypasses their competitors they clearly have elements of an innovation based strategy. The fact that Bahrain was not one anyone else’s ‘radar’ and that in that market they would be offering clients something that was not available to the middle-market at present they move into what is described in the literature as ‘an uncontested market’ and aim to make the competition irrelevant, create and capture new demand (Chan Kim and Mauborgne, 2005). But the company needs to consider how long Bahrain will not be on anyone else’s ‘radar’ – this should also be considered during the strategic planning process.

Evidence suggests that future growth will depend on the innovation capabilities of the industry (InterTradeIreland, 2009, Carvalho et al., 2007). The primary data in relation to this company’s strategic approach to moving into Bahrain is evidence of an innovation based strategy. Whether or not they can offer cost and value and innovation to their clients in this market has yet to be established, which is also a feature of this strategy. They are disciplined in their approach to innovation and have considered the people required to service the new market.
That in difficult times in the 1970s, 1980s and 1990s these practices would have looked mainly at the UK but that this is no longer the case can be concluded at this stage. All the practices have a strategic approach to planning at present. Those strategies are not dependant on the UK, rather MOLA are focussed on five key priority markets and O’Mahony Pike is focussed on Bahrain. The impact of the recession has focussed minds on strategic planning and new markets further afield thereby reducing dependence on the UK. Shifting mindsets towards more innovation based strategies can create new forms of growth, value and advantage as outlined in the primary data and also the literature review (Hewitt, 2007).

Those questioned in relation to strategic implementation have all considered it in relation to their people with Douglas Wallace previously stating that they did not get the management structure in place. The full implications of organisational structure as it relates to strategy are not evident at this point of the analysis.

**6.3.4 Question: Has that strategy been redeveloped or redefined? Has that changed?**

6.3.4.1 Purpose of the Question

This question explores whether or not these companies have considered changing their strategies or re-defining them as the marketplace changes. The marketplace for architectural practices has changed significantly recently with high levels of redundancies evidence of a fall in demand for services (Royal Institute of the Architects of Ireland, 2009). As sectors change and the nature of the marketplace shifts then companies need to be able to create a new strategy for the firm usually resulting in new administrative problems emerging for which a new appropriate structure is required(Chandler, 1962). Once that is resolved profits can then return to previous levels.

6.3.4.2 Key Points in the answers

O’Brien says that Henry J.Lyons is constantly reviewing its strategy. O’Brien states:
‘The market is always changing and even market dynamics and even costings are changing. So you have to be flexible. You have to be reviewing it, even more so in the last 18 months. Nobody has a three year plan. A one year plan is more likely.’

(O’Brien, Appendix C)

Flexibility is important as market dynamics are changing constantly. O’Brien cites the example of China where recently, when Western developers pulled out of the market due to lack of funding, Chinese developers moved in as they had funds. The company was therefore marketing to completely different types of clients / client groupings. Therefore flexibility regarding reviewing strategy and the ability to make quick decisions is critical.

Prior to liquidation Wallace’s business plans were re-defined every three years. Going forward the company says that it is important to question and not make assumptions about what is correct for the company. Everything evolves. A business plan reflects a moment in time but during the period of the business plan (three years) you need to be open about taking on other ideas too. The importance of partnerships, excellence and knowledge is fundamental.

MOLA’s old strategy was to cope with the boom and employ enough staff according to O’Carroll. Their current strategy is now one year old. It was easier to get buy-in from staff to the strategy now due to the recession there is greater understanding by staff of the need to go abroad. O’Carroll’s main interest is that the company goes abroad because it ‘wants to’ as opposed to ‘has to’. Answering a question in relation to how O’Carroll got commitment from staff to the strategy, he says:

‘I think we are going abroad because we really want to, we believe that it will give us access to exciting projects the scale of which we would never get in Ireland. It will enrich us professionally and financially as well we hope. And it will not only allow us to maintain the size we are, and the skills and capabilities we have accumulated, but to grow them further.’
O’Mahony says that the company is willing to shift its strategy for example if Bahrain went bust and there was no work there. They have already redeveloped their strategy by going into partnership and setting up the joint venture which was not their plan initially. They had planned to enter the new market on their own, he says but now their strategy is to learn about the new market through their business partner and advise others to do the same.

6.3.4.3 Analysis of the Key Points with the Literature

While those interviewed were constantly reviewing their strategies the length of time between reviews differed. O’Brien said that they were constantly reviewing in Henry J.Lyons and Wallace said that they reviewed their business planning every three years at Douglas Wallace. What can be deduced at this point is that there is a danger in a company being too rigid and not flexible enough to re-define its strategy quickly in the light of a new marketplace or changes to existing markets. Given that Douglas Wallace’s strategy ultimately failed the speed of review needs to be considered: compared to O’Brien’s success in China and his observation about ‘no-one has a three year plan’ anymore flexibility and speed of change in relation to strategic review would seem to be critical to business success.

The literature recommends that strategy review is critical to an organisations’ survival to changes in a marketplace (Wheelan and Hunger, 2000). The two examples of flexibility towards marketplaces have yielded good results, with Henry J. Lyons’ securing the work in China clearly as a result and O’Mahony Pike partnering in Bahrain when their initial strategy was for organic growth, are both evidence of the importance of strategy review and re-definition.
6.4 Strategy / Competitive Advantage / Creativity

6.4.1 Question: What particular aspects of your strategy do you feel effectively achieve competitive advantage?

6.4.1.1 Purpose of the Question

The evidence suggests that it is those companies who innovate with market led products and services in this sector (Carvalho et al., 2007) and those who create more innovate value added offerings (InterTradeIreland, 2009) will be better placed to secure expansion and growth internationally. This question explores how these architectural practices currently move into positions where they can secure competitive advantage.

6.4.1.2 Key Points in the Answers

For O’Brien flexibility and delivery are critical. Trust with clients and other members of the design team internationally is a source of competitive advantage for the company as it is those partnerships that bring in international work. This is because internationally there is a lot of movement of people looking at different horizons and markets. The international marketplace is a smaller universe / world.

For Wallace, the company’s competitive advantage is that they understand their clients and deliver design that re-enforces their clients’ proposition and delivers profit. What any company differentiates on depends on the type of client. Wallace’s clients are looking for a higher level of creativity in specific areas. A practice cannot be expert in every field as the market is complex and difficult. Other practices can be driven by cheap cost but that is achieved at the expense of something else. Balance is required in all of these things but practices need to capitalise on the knowledge they have when doing creative work, thereby reducing the time for ‘navel -gazing’.

Given that according to O’Carroll, MOLA want to become an international company that happens to be based in Ireland; this requires a different mindset in relation to how
the company talks about competitive advantage internationally. While being Irish has some advantages abroad, the practice is not necessarily well known. The firm is currently asking itself about their value proposition, their brand, are they competitive given that everything has changed in the current market place: O’Carroll says:

‘We never had to ask these questions in the Irish market. The work just came in the door. The fees were almost whatever you wanted them to be. You didn’t have to be particularly efficient and you could still get away with it. You didn’t have to define a brand because certainly everyone knew Murray O’Laoire. Everyone in Ireland does know Murray O’Laoire. They know what we are good at and they know why they come to us....You go from being the big fish in the small pond, to being a tiny fish out there in an ocean. So now we really have to explain ourselves.’

(O’Carroll, Appendix E)

The company are market specialists e.g. in healthcare and education but internationally want to be general designers, good at everything as they are in Ireland where the small scale of the economy requires the company to be flexible. For example the company is designing a prison for the first time which is very innovative worked out entirely with landscape architects. Answering a question in relation to the innovative design at that prison O’Carroll says:

‘Architects are trained problem solvers and there is a huge danger in becoming over specialised in that you close down innovation and you close down cross fertilisation between sectors....There is so much danger in specialisation and yet it is a necessary marketing technique when you go abroad.’

(O’Carroll, Appendix E)
The company has survived the recession attributing this in part to their positive attitude towards diversification becoming strong in both public and commercial work.

O’Mahony’s consideration of how the company achieves competitive advantage has changed as a result of Enterprise Ireland’s Leadership for Growth Programme. Previously he would have said ‘we are good at this, this and this’. Now he considers what competitive advantage is for them in a different way. In starting to think about it he realised that the problem in the Middle East is that it is a standard practice in that market to change architects a couple of times through the life of the project: from concept to completion. Based on that understanding, he realised that: 1. They can take a project from master planning, co-ordinating all stakeholders including the large architectural practices, down to handover and certification. 2. They had capabilities built up in the Celtic Tiger years of pre-fabrication and fast delivery. 3. They had a strong sustainability offer, SusCom, within the practice. He considers cost and value and innovation having built up a solid business on tight fees (which relates to cost) in Ireland. In relation to value, the company has identified the middle market as their target where they aim to offer the value of the high end. Answering a question in relation to whether cost comes at the expense of value, O’Mahony said the question was:

‘How do you sell the value of the high end at the cost of the lower end if you are going to get the middle end? You have to have a client firstly who is willing to up their game.’

(O’Mahony, Appendix F)

This is something the company is committed to: selling the value of the high end at the cost of the lower end while also looking at innovation. They have experience of innovatively using existing known technologies and applying them to the construction industry. Innovation is therefore also in the solution that is offered to the client, delivering something that is different but that has value. For example, the company realised that the RCSI had shelved a project in the Middle East as they did not consider themselves developers. O’Mahony says that his company found an
innovative solution to the problem in that it located financiers, bank and debt, and developers, Mercury for the client. The project proceeded due to the innovative service offered by the architectural practice on that occasion.

6.4.1.3 Analysis of the Key Points with the Literature

The importance of flexibility and delivery is highlighted by O’Brien at Henry J. Lyons. Good delivery ensures a build up of trust in the international marketplace and results in repeat business. For Wallace delivery to the client is again highlighted as a source of competitive advantage with the practice’s clients selecting the firm as they are looking for higher levels of creativity in the design. This might suggest however an over reliance on customer focus and a lack of awareness on the market. Wallace maintains that this is achieved at the expense of cost. Other practices can offer a different service at a reduced cost. This is echoed in the literature where it is evident that low cost providers are moving into the market and competing for work based on price rather than value differentiation (Forfás, 2004) providing “blue-collar” design services such as Computer-Aided Design (InterTradeIreland, 2009).

O’Carroll has been addressing what competitive advantage is for the firm especially recently when they are increasingly looking for work overseas. The small scale of the Irish economy required the company to be flexible and they became good general designers, able to diversify. They want to build on this reputation in the international marketplace but recognise that marketing by specialisation (e.g. healthcare) is an easier route to market internationally. Without diversification O’Carroll maintains that companies reduced the opportunity to innovate and cross-fertilise between sectors which is a source of competitive advantage for the firm who for example are currently designing a prison for the first time.

This position is supported in the literature where Prahalad and Hamel (1990) contest that individuals’ efforts should not be so narrowly focussed that they cannot recognise opportunities which may arise to blend their functional expertise with those of others in new and interesting ways: in blending such expertise companies find new ways of
building unanticipated products allowing them invent new markets, quickly enter emerging markets or shift the choice they offer their customers in existing markets.

Given that according to O’Carroll, MOLA want to become an international company that happens to be based in Ireland; the lack of registration of Irish architects currently as highlighted in Chapter 2 is a consideration. It is detrimental to the architectural market that enquiries, from potential international clients, to the RIAI cannot currently yield a comprehensive list of all practicing registered architects in Ireland.

O’Mahony reviewed the marketplace and sought to define what the company could offer that would open untapped market space. He discovered that this was the company’s expertise in the middle market place; bringing projects through from conception to completion; its capabilities to deliver projects quickly built up during the boom construction years in Ireland and finally a strong sustainability offer. The shift in mindset to consider new markets is this way (Hewitt, 2007) shows that new competitive landscapes require new ways of thinking. The company clearly has innovation based strategies that aim to deliver competitive advantage to their clients by making the competition irrelevant and breaking any value-cost trade off outlined by Porter (1990). In doing so they create new demand, termed ‘Blue Ocean Strategy’ (Chan Kim and Mauborgne, 2005). Examples of that innovation include the practice offering the service of securing financial solutions for the RCSI in the Middle East which allowed the project to proceed and also the company’s targeting of the middle market in Bahrain where they think they have found clients who are willing to up their game thereby creating new demand previously untapped.

What can be concluded at this stage is that low cost providers are moving into the market and can competing on low cost rather than value differentiation. Given that companies who innovate with market led products and services in this sector will be better placed to secure expansion and growth internationally, architectural practices that that diversify blend their expertise and build unanticipated products and grow accordingly. This study presents strong evidence to suggest that innovation based strategies should be adopted to deliver both value and cost benefits to the client and creating new demand by making the competition irrelevant.
6.4.2 Question: Do you have strategies around creativity for your organisation and/or your clients?

6.4.2.1 Purpose of the Question

The ability of an organisation to be creative, change or adapt quickly is a source of competitive advantage. The marketplace has changes for Irish architectural practices with overseas offices that now need to think strategically about the creativity of their organisations in order to secure new products, services and markets and also maintain a high reputation for innovative high quality design. The purpose of this question therefore is to ascertain whether or not those companies interviewed have strategies in relation to creativity either for their clients or their organisations.

6.4.2.2 Key Points in the Answers

O’Brien tries to understand what the client really wants, delivers it really well and achieve excellence in architecture. From that he secures client retention. In doing so the company maximises the return for their clients.

Wallace says that his company has strategies in relation to creativity for their clients and for the organisation. That strategy is based on client understanding with all projects being driven by creativity from the top. Wallace feels that prior to liquidation he had lost that connection and that he wanted to get back to nurturing that again: looking at all projects before they leave the office to drive creativity within the practice again.

MOLA’s creative strategies are something they think about ‘everyday’ according to O’Carroll. Those strategies are based around ensuring a healthy design debate and dialogue within the firm. Projects are commenced with a prestart meeting with the client sometimes in attendance during which the ambitions for the project are articulated. Under their Quality Assurance procedures every project is subject to peer review (Crit) at which professionals are present such as landscape architects, senior technicians. Innovation is considered during these Cits such as the use of new
technologies. The process itself is quite creative resulting in significant change as the project goes on.

For O’Mahony the issue is achieving an evenness of quality of creativity and design across the whole practice particularly when the company had 6/8 teams. The problem related to the discipline of having Crits to meaningfully exchange ideas or look at new ideas. Practices need a system that would let creativity flow down the organisation as the genuinely creative designers within a practice are the busiest and therefore do not have the time. According to O’Mahony:

‘In all practices you would probably I would say have 5% who are gifted, innovative, genuinely creative designers. Even 5% might be an exaggeration...If you take that 5% of genuinely intuitive designers the real thing is to encourage them to set up a system that allows that creativity flow down throughout the practice.....(they) are so busy that it’s not that they are trying to ‘hide their homework’, they are so ‘put upon’ that they can’t actually do that’.

(O’Mahony, Appendix F)

The practice experienced difficulties in appointing a Creative Director as the chosen employee did not want to be taken away from the design work. Crits were another problem as they were taking place too late. The timing of Crits is critical to the most creative projects in order to show where the innovation in the development is happening in the project. This needs to be driven by the Directors of a practice, with those practices the most ‘tutonic’ about having Crits delivering very innovative work, according to O’Mahony.

Regarding strategies around creativity for clients, O’Mahony’s clients wanted guaranteed value. However regarding innovation the company was not happy with the designs they were doing for them and therefore brought them to Malmo to show them what could be done, changing minds and maybe markets. The company was in a market that was not into innovation and they tried to bring it in. In Bahrain O’Mahony
knows that the company can deliver a quality product but the question is: do they want it and can they pay for it?

6.4.2.3 Analysis of the Key Points with the Literature

What emerges in the responses in relation to creativity is a focus on the architectural product which is traditionally delivered by architects and designers within a practice. Designers and architects are also responsible, along with others in the company, for making creative strategic decisions about the organisation. These can relate to services a company provides which is evidenced by O’Mahony Pike securing a financial solution to its client in the Middle East as a good example of thinking creatively and delivering an innovative service for competitive advantage. Internal processes can also become more creative in themselves as evidenced by MOLA’s peer review process being a creative process in its own right according to O’Carroll.

Opportunities to leverage organisational creativity for competitive advantage need to be considered by Irish architectural practices beyond the creative process of production. If a company has strategies to enhance its organisational creativity this can result in new services such as O’MahonyPike’s SusCom offer and enter new markets, such as O’Mahony’s consideration of Bahrain. With a flatter structure there is greater communication between staff at all levels and of all functions. Strategy involves everyone: in blending expertise across the company and having strategies in relation to creativity the company can increase its organisational creativity for competitive advantage accordingly.

It is clear that practices need a system that lets creativity flow down the organisation as the genuinely creative designers within a practice can be the busiest and therefore do not have the time or are reluctant to be taken away from designing. However O’Mahony’s identification of only 5% of those in the organisation as being genuinely creative (designers) assumes that the question relates to designers only. With this assumption, he does not relate the question to the firm as a whole and other personnel who might contribute creatively to strategy.
There is a frustration evident in some practices not getting peer reviews right. This study therefore recommends that further research in the area of crits (peer reviews) could be pursued in another study as the responses in this area are interesting in themselves and while they relate to this topic they are outside the scope of this study. In addition the potential of academic best practice in relation to peer review could be compared to commercial best practice in order to make recommendations for mutual benefit accordingly given that the experience of peer review at third level has been referred to during the course of interview also.

O’Mahony Pike’s strategy towards their clients is interesting where they set out to ‘change minds and change markets’, achieving this with great results. In taking this approach they themselves became a driving force of industry change by addressing the area of what is described in the literature as ‘product innovation’ (Thompson et al., 2005) in the execution of their strategy.
6.5 Organisation Structure / Internationalisation

6.5.1 Question: How did your organisation structure have to change to cope with the internationalisation of the company? Has this changed since implementation? Why?

6.5.1.1 Purpose of the Question

The study is primarily concerned with organisations of scale, large enough in relation to size that they have become complex and therefore require a hierarchy of authority within their structure to support their work across multiple offices. Organisational structure refers to the formal division of work and the patterns of relationships that coordinate and control activities (Bratton et al., 2007). The purpose of this question is to understand internationalisation and company structure: whether or not those interviewed consider their companies’ structures can support their international business units. It also aims to discover whether or not those structures have changed. When market places change, then company strategies need to be re-defined and adapted accordingly (Chandler, 1962, Wheelan and Hunger, 2000): this should lead to a corresponding consideration of whether or not the existing structure is still appropriate.

6.5.1.2 Key Points in the Answers

O’Brien attributes one of the first building blocks to internationalisation from a structural perspective as valuing the company at ‘zero’ which it did in 2002/3.

‘That allowed us movement in and out of the shareholding and flexibility to do things. We had a lot of legacy issues. We got out of those....That allowed systems to be developed that allowed us target markets, other markets and other types of work...the basic
system of you come in with nothing and you leave with nothing is still there.’

(O’Brien, Appendix C)

That shareholding model is therefore working well in supporting internationalisation and is not envisaged to change.

Wallace reports that the company never got the structure right: the environment was different and as a result no-one would move to overseas offices. There was resistance to change and with company turnover at €20m at the time people took the easier route. The company tried to change it but nothing happened according to Wallace.

MOLA’s company structure grew organically, according to O’Carroll with no real structure at all. Up to ten people sat at Board meetings making them too large a group for consensus leaving the company paralysed regarding decision making. The company implemented a new structure a year and a half ago, bringing in a Chief Operations Officer from Accenture and changing the size of the Management Board to five people only. They also introduced a Design Board which manages the quality of the design and Quality Assurance. Key to this new structure is the ability to scale up internationally. It is a platform for growth by enabling the company appoint new Directors for sectors and for countries while not impeding the decision making.

O’Mahony has a succession model in the company which is in place for the last five/six years and is working well. It has seven Directors, six of which are Shareholders. The company’s structure is flat according to O’Mahony, he regards the company as being ‘one church’ and not hierarchical. That structure can cope with internationalisation but would change depending on income levels going forward.

6.9.3 Analysis of the Key Points with the Literature

The importance of flexibility again is evident in the responses. O’Brien attributes the company’s tidying up of their shareholders as one of their first building blocks to internationalisation. By ridding themselves of legacy issues the company then had the flexibility to target new markets and other types of work. At Douglas Wallace the lack
of flexibility is evident with people in the company unwilling to move overseas as things were good in Ireland at the time and as a result the company never got the structure right. MOLA changed their structure a year and a half ago in order to support the internationalisation of the business reducing the size of the Board. The previous Board was so large that it paralysed the company regarding decision making: a smaller Board now allows a swifter response.

MOLA and O’Mahony Pike both introduced new structures 1.5 and 5/6 years ago respectively. At MOLA this has given the company a platform for growth allowing it appoint Directors to new countries or sectors as required with decision making not held up by a growth in the number of Directors. O’Mahony describes his company’s structure as very flat and would change it if needed to, depending on income.

The importance of clean shareholding and a company structure which allows the company flexibility and swiftness of response is clear from the primary data. Only one company addressed the issue of re-structuring should the market place change which is interesting as the literature suggests that re-structuring is critical once strategies have been re-defined. Furthermore, the literature suggests that a company’s ability to restructure in a rapidly changing market place needs to be both rapid and complete (Davidow and Malone, 1993) given that there may then be a requirement to innovate rapidly given a changed marketplace (Kouzes and Posner, 2003) or to downsize towards a horizontal or lean organisation (Bratton et al., 2007). This enquiry concludes that the flexibility of an organisation is critical for Irish architectural practices in a changing marketplace as it can affect their competitive advantage in relation to their ability change, innovate and adapt quickly.

This study therefore recommends that companies ensure that their shareholding arrangements are not impediments to flexibility. It also recommends that the structure of the organisation should ensure flexibility in order to innovate rapidly and adapt to change when the need arises. Finally it recommends that companies consider whether or not restructuring is required when changes in strategy take place which require implementation.
6.5.2 What challenges did the organisation face from an organisational structure aspect in supporting an international business? (e.g. technological) What were the effects on performance?

6.5.2.1 Purpose of the Question

The purpose of this question is to see what can be learned from the experiences of these companies who to a greater or lesser extend have experience in the international market place. Their experiences and challenges they have faced may be different, with some long established, some contracting from having international offices and some more recently expanding organisations. It is an open question in order to see if elements of structure emerge as a challenge in supporting an international business.

6.5.2.2 Key Points in the Answers

The key challenge at Henry J. Lyons in setting up internationally was that of organic growth which was the company’s strategy rather than acquisition believes O’Brien. This relates back to their shareholding policy of valuing the company at ‘zero’: in with nothing, out with nothing. In relation to structure therefore the organisation is only as good as the people in it, i.e. their human resources, so if they had acquired businesses and those ‘acquired’ people left, the company would be left with nothing. Organic growth takes longer than acquisition and has huge financial implications. The financial return is affected the more investment you have, hence organic growth is difficult in turbulent times.

The biggest challenge in relation to structural aspects of supporting an international business for Wallace was management and how management co-ordinates including how the company gets the ethos across all offices which it did not achieve. Moving forward the company will deliver creativity to its overseas business partners through outsourcing to consultants he believes. When performance is affected and the organisation is not right, this leads to annoyed clients, frustration and negativity according to Wallace who also contends that structure affects performance as the company grows. He attributed this is attributed to the nature of the business which is
about creativity. Answering a question in relation to how structure affects performance Wallace says:

‘Creative people are very bad at coming together to form large organisations for mutual benefit...I think it is because of the way we are taught in college. You have five years of being by yourself and you have to sit there every time you have five projects each year....25 unique experience which can’t be the same as the other 25....so you go around guarding your thoughts and ideas to yourself and you don’t discuss things in an open manner because you are afraid someone else will nick the idea.’

(Wallace, Appendix D)

Wallace suggests that creativity ‘best practice’ in a commercial organisation is all about open discussion for mutual benefit. While you will some exceptionally talented people, in relation to creativity and the organisation, it is much more challenging to deliver excellence.

For O’Carroll the problem is the mobility and flexibility of people. International work requires people to travel and they are not flexible or mobile enough. In difficult times flexibility is required and while some people understand this others do not. In relation to performance, the company has introduced sales training which is unusual for an architectural practice he says, as traditionally there is a resistance to talking about money and sales targets are included as a Key Performance Indicator for (KPI) performance review purposes. Another key challenge was to operate as ‘one firm’ which the company has not done very well to date believes O’Carroll. Each office seems to operate in isolation from the other in every way. While the company has the intranet and get-togethers including a Colloquium every two years, he contends that the people in the company still think in terms of the local region and those local projects. To maximise the skills within the organisation it must act as ‘one-firm’. A barrier to this is a tendency towards territoriality, guarding workload and staff especially in difficult times. But it should be about the best people doing the work he says.
The key challenge for O’Mahony is that the Directors have the energy, enthusiasm and ability to get work abroad. O’Mahony says:

‘What happened from the late ‘90s on is that work just came in the door. You didn’t have to go and get it. Within the practice there are only a certain number of salesmen – in fact there is a very limited number of sales men.’

(O’Mahony, Appendix F)

Another key challenge for him is managing the work between the various offices for example their Cork office is doing London’s work at present. Problems that arise include staff constantly questioning about work getting done or reviewed correctly. While technology makes it easy to share information and the company is getting video conferencing, O’Mahony suggests that when they win a large international project the issue will be how they get the best of their experience through the system in a totally new environment. He suggests that the discipline of face-to-face meetings will probably be considered as a solution. In relation to performance, he believes that when the company is small everyone has to perform. However you have to put your very best people into foreign markets he says.

6.5.2.3 Analysis of the Key Points with the Literature

Various themes emerge in the responses as follows. It is expensive to grow organically especially in difficult economic times, rather than through acquisition, but with organic growth companies maintain staff which are the most important resource. This might be lost in any acquisition process. It is a challenge to get a ‘one firm’ concept when there are multiple offices, there is a tendency for separate offices to act in isolation particularly in turbulent times, the firm then not capitalising or maximising its skills for the benefit of the organisation as a whole. Flexibility again is an issue with staff reluctant to move abroad which is a requirement when companies are growing organically and need to move their staff in order to get the ethos of the company across the organisation.
The evidence suggests that unless companies make informal connections between staff, no matter where they are located, opportunities are lost for knowledge transfer within the firm, limited by the firm’s formal organisational structure (Collison and Parcell, 2004). Therefore this study concludes that the ability of firms to cut across the interests of individual business units is critical for those practices with overseas offices if they are going to achieve a blend of functional expertise and thereby maximise the potential of the firm as a whole.

6.6 Company Structure / Dimensions

6.6.1 Question: How is the company structured?

6.6.1.1 Purpose of the Question

This question relates to the design of each organisation’s structure. Its purpose is to establish how the interviewees view the structure within their practices in order to explore whether or not there is a type of structure which might be advantageous for practices with multiple offices. Whether they have divisional teams such as ‘healthcare’ or ‘hotel’– teams or are they structured around discipline or functional teams such as ‘architecture’ or ‘masterplanning’– teams or are they locational teams such as ‘London’ or ‘Moscow’– teams or something else is explored.

6.6.1.2 Key Points in the Answers

O’Brien has a Board of Directors and a Leadership Team of four with the whole organisation being run from Dublin except for Marketing which is done locally. A Location’s Team would have a Director in charge of that location, two or more team members depending on size, a business development person and a junior financial person, he says. Overviews on everything from a financial and legal perspective would be done from Dublin, with legal advice sought locally.

Wallace says that his experience of structured based on teams that were functional i.e. Architecture Division, Design Division, Project Management Division was incorrect and he now advocates that it should have been structured around sectors such as Hotel
Division, Spa Division etc. That incorrect structure evolved naturally according to Wallace.

O’Carroll says that MOLA is structured around sectoral units e.g. healthcare, but those units are spread over various offices and not seen as one standalone unit under the direction of a Healthcare Director, no matter where he is located. That Sectoral Director should be able, O’Carroll believes, to bring in expertise from wherever he wanted and all six sectors should be structured like that but the company is not quite there yet.

O’Mahony says that the company has always had a team structure which is based around discipline (eg Master-planning), location (eg Cork) and also client-teams (eg Castlethorn). O’Mahony makes an interesting point in relation to team size:

‘Team also has a turnover connotation. What we discovered was that a team really couldn’t be bigger than ten people with a turnover of about €1m to 1.5m. After that it lost direction, it lost focus, for the staff they felt a lack of identity. We always felt that was really important for the staff that they felt they could be identified with a group. They would always have a Director who knew them, who understood them that they could fight their corner or whatever.’

(O’Mahony, Appendix F)

The strength in client-teams was in the delivery as those teams understood exactly what their clients liked/loathed he believes. People did not move between teams rather assisted each other regarding knowledge transfer where expertise was required. But the teams were static and that structure was quite inflexible. The company requires more flexibility now according to O’Mahony even though staff like the security of being in a team where there is little bad feeling or rows with that. Therefore the structure needs to change as the quantity of work now no longer warrants the strong static team structure of the boom years. The company now needs a pool of talent to be chosen from as a project requires, rather than being clients’ architects.

6.6.1.3 Analysis of the Key Points with the Literature
The constraints on team size as articulated by O’Mahony are interesting but no conclusions can be drawn in this study in relation to optimal team size from the primary data. O’Mahony maintains that the size of team in the firm can be no bigger than 10 people or have a Turnover of in excess of €1/1.5m. This is worthy of further research in order to make recommendations regarding the optimal size of team and its relationship to turnover as guidelines in this area could prevent team sizes in the future becoming too large and thereby possibly losing direction and suffering from a lack of identity which could assist this enquiry if that had an impact of creativity of teams.

It is clear from the primary data that there is a mix of structures in practices with no particular structure emerging as one which is clearly the most beneficial for those practices with international offices. Those structures range from locational teams (eg Aachen); functional teams (eg Architecture); sectoral teams (eg Hotels); and finally client teams (eg Castlethorn). This is supported in the literature where Bratton et al (2007) offer a guiding principle that while there is no ‘one’ organisational structure which is the right one, for top managers the right structure is the one that offers the most advantages and the fewest limitations.

Therefore there is no standard structure can be deduced from either the literature or the primary data, no via regia to arrive at a particular structure for Irish architectural practices with international offices. Rather the evidence suggests that top managers need to consider strategic human resource management and implement a structure that best supports the strategies of the company (Mabey et al., 2000, Robbins, 2003) which at the same time offers the fewest limitations.

**6.6.2 Question: How many levels are there in your organisation?**

6.6.2.1 Purpose of the Question

This question relates to organisational complexity. As the size and scale of an organisation increases, so too does its complexity and structure is therefore required. Organisations are described as tall or flat: taller organisations having more degrees of
authority and flatter structures having less and being more team based. This question is important to this enquiry as the evidence suggests that taller organisations decrease co-operation and motivation between employees (Hill and Jones, 2004) and that the flatter the organisation the more creativity is enhanced allowing them respond more quickly and with greater flexibility (Davidow and Malone, 1993).

6.6.2.2 Key Points in the Answers

Within Henry J. Lyons levels include Directors, Associate Directors, and Project Team Leaders: in total approximately 8/9 different levels in the organisation each with a clear job description according to O’Brien. The company has an appointee to the Board of Education of the RIAI and he believes that their tabulation of levels within the organisation is more descriptive than the RIAI’s. These bands are very transparent and correspond to a related salary scale he says.

Prior to liquidation Wallace had six or seven levels within the organisation which was too many: it should be 3 levels only as follows: 1 or 2 senior people, people responsible for sectors and junior people he now contends.

MOLA’s structure is as flat as they can make it given that at the height of the boom they had 270 staff according to O’Carroll. The company has a Turnover of €22m so it is therefore ‘corporate’ however as an organisation it wanted to stay flat. The studio feel sought by staff is not incompatible with a corporate organisation but does present another challenge for him to manage. There are Directors and Associate Directors and then everyone else without distinction bar ‘years of experience’ which is used for performance evaluation purposes and not incorporated into any titles such as ‘Senior’. O’Carroll says it is a very flat organisation.

- O’Mahony outlines the three levels within the organisation and sees that organisation as being very flat. The company did not want a hierarchical practice. O’Mahony says:

  ‘We never wanted to be hierarchical. We never saw the practice as being a ‘them and us’. It was an ‘us an us’. There was always a Director or Team Leader who would have the final say but it was a very collegiate way of making decisions.’
6.6.2.3 Analysis of the Key Points with the Literature

Three of the four interviewees had a preference towards a flatter type of organisation referring to ‘studio feel’ and ‘collegiate’ ways of decision making even though they are of a scale that requires structure. Henry J. Lyons is the exception. It is a tall organisation with 8/9 levels compared to the other three which are flat. The importance of flexibility has been previously referred to by O’Brien with that company’s ability to respond with flexibility to market change allowing Henry J. Lyons win new business in China. There is a paradox here given that flexibility is crucially important to that organisation which is tall, while the literature would suggest that flatter organisations are better able to respond given increased flexibility.

At this point of the analysis it can be only suggested therefore that as competitive intensity increases, those flatter companies can gain competitive advantage by being able to respond more rapidly to market change by pioneering new products, processes and ways of doing things. Difficult times being experienced by Irish architectural practices currently require that they have the ability to innovate and change quickly when required in order to respond to shifting markets both in Ireland and overseas in order to maintain or improve their market share. From the literature and the interviews this study recommends that companies should consider the complexity of their organisations in relation to their ability to innovate and adapt quickly to market change for competitive advantage as the flatter the organisation to more creativity is enhanced.

6.6.3 Question: How centralised is the operation?

6.6.3.1 Purpose of the Question

The purpose of this question is to explore how centralised or de-centralised those companies interviewed are, as choices made by Irish architectural practices that have staff in overseas offices in relation to centralisation may either increase or decrease
creativity within the firm. When managers at the upper levels of a firm retain the authority to make the most important decisions the organisation is highly centralised. When authority is de-centralised, those decisions are delegated to divisions, functions and employees at lower levels in the company. The evidence shows that when employees have more involvement in decision making they work harder, smarter and more creatively than employees in traditional organisations (Tomer, 2001).

6.6.3.2 Key Points in the Answers

Henry J. Lyons is highly centralised with everything run from Dublin according to O’Brien. They have 100+ staff in 5 offices (Dublin, Cork, Liverpool, Abu Dhabi, and Shanghai).

Prior to Liquidation Douglas Wallace was totally centralised which Wallace now considers incorrect for the organisation. Rather he now contends that central functions should be de-centralised such as Marketing, IT, HR as with centralisation of those functions there is a lack of accountability and increased likelihood of cover up. Each location should be a profit centre on their own with those functions being locally based. Wallace says.

‘It was totally centralised but that was wrong. In relation to finance functions, in relation to marketing, IT, HR were all central and they shouldn’t have been they should have been by location....a loss in one was covered up by the other financially, IT, HR, everything....whereas each office should have stood up and been a profit base on their own.’

(Wallace, Appendix D)

As the company grew, teams became less self-managed and the company overall more structured which he now considers incorrect as this led to rigidity, disconnection and disempowerment he says.

O’Carroll contends that MOLA is currently almost too de-centralised and is trying to make it more centralised to achieve the’ one-firm’ concept. Therefore all the
administrative/support functions will be centralised in Dublin but decision making within teams will remain highly de-centralised, maintaining lots of authority at lower levels which is enjoyed by staff as evidenced in Exit Interviews.

In O’Mahony Pike people are given a lot of responsibility and are expected to perform which the staff enjoy says O’Mahony. The company is very centralised in terms of administrative functions, otherwise it is very autonomous which is working for the company.

6.6.3.3 Analysis of the Key Points with the Literature

The struggle of managing the de-centralised organisation emerges from the interviews. The organisations are all different in relation to centralisation. Henry J. Lyons is totally centralised with all decisions being made in Dublin. With an increase in scale at Douglas Wallace came more centralisation and with it a rigidity within the organisation and disconnect between staff. This phenomenon is recognised in the literature with Daft (2007) outlining that organisations become more bureaucratic as they grow larger. Wallace’s experience of this now leads him to recommend total de-centralisation. MOLA is almost too de-centralised according to O’Carroll which is an impediment to the organisation’s quest to become ‘one firm’, acting for the greater good of the firm no matter where staff are located. MOLA is committed to maintaining decision making within teams and is therefore moving towards partial de-centralisation, centralising the administrative/support function in Dublin. This model of partial de-centralisation is currently in place in O’Mahony Pike, with all support functions in Dublin and staff locally having autonomy in relation to decision making.

Improvements in technology now allow companies electronically link staff, regardless of where they are based therefore both design/architectural work and administrative work can be either centralised or de-centralised. However the evidence suggests that technology alone is not enough to meet the challenges faced by companies with dispersed staff. Rather technological developments decrease the potential for significant service differentiation. Instead it is architectural practices’ intangible reputation for innovation and design quality that will sustain practices (MBD, 2008). The evidence also suggests that de-centralisation allows employees more involvement
in decision making (Tomer, 2001), thereby increasing intrinsic motivation which drives creativity (Amabile et al., 1996).

Assessing the information from the primary data and the literature together, this enquiry concludes that how centralised or de-centralised Irish architectural practices with overseas offices are is important in relation to creativity for competitive advantage. Given that organisations become more bureaucratic as they grow larger de-centralisation allows employees more involvement in decision making thereby increasing intrinsic motivation which drives creativity.

For practices seeking competitive advantage through creativity, their reputation for innovation and design quality is important in order to differentiate them accordingly. In such practices, this study recommends that design/architectural teams should remain de-centralised in order to drive creativity within the practice. However not all teams in practices are architectural/design. There are administrative teams which support the work of the firm across the organisation and contribute to strategy formulation. Hill and Jones (2004) suggest that partial de-centralisation could be an option for some organisations who want to give more authority to lower levels or the organisation but also want to reduce bureaucratic costs.

While recommendations can be made in relation to the de-centralisation of the design teams of architectural practices to enhance creativity, conclusions in relation to administrative teams which support the work of the firm across the organisation can only be suggested. Partial de-centralisation as a model however leaves the quest for the ‘one firm’ is still unresolved. However, when functional expertise is blended across the organisation new products and services can emerge in unexpected ways. Therefore if companies are going to drive creativity in relation in other areas such as service innovation, this study can only suggest that full de-centralisation be considered in order to increase speed to market and new markets.
6.6.4 Question: Are there any informal structures? Which are more important to the organisation formal or informal, why?

6.6.4.1 Purpose of the Question

This question relates to an organisation’s informal structures. This enquiry has already established that while there is no one correct formal structure for Irish architectural practices with overseas offices, practices should adopt a strategic approach to their human resources that will allow them implement a structure that best supports the strategies of the company. Informal structures relate to how employees connect across departments or units.

Informal structures such as communities of practice knit the whole organisation together beyond technical knowledge, especially in more knowledge based employment with the evidence suggesting that informal structures can be more beneficial to certain organisations accordingly (Bratton et al., 2007). The purpose of this question is to explore whether or not informal structures are considered useful, important or irrelevant to Irish architectural practices with overseas offices in order to make recommendations regarding same.

6.6.4.2 Key Points in the Answers

In relation to informal structures, O’Brien says that individuals at Henry J.Lyons get together ‘all the time’. Initially the company’s IT system provides back up between the offices and there is now also video conferencing and intranet. Where there is a requirement to bring in specialist expertise from another office, such knowledge transfer is based on project need and recognised in the billing. Therefore expertise/knowledge transfer is dependent on the profitability of the requesting centre/project.

Knowledge communities were attempted by Wallace during the boom in Ireland however the reality was that people were too busy to really engage then. The paradox evident to Wallace now is that even though the economic environment has become
very difficult, those in the company have more time to understand knowledge communities and get involved. O’Carroll suggests that there is not enough informal dialogue within the firm however there are no restrictions on who can talk or liaise with whom but that is down to individual initiative. There is an active social scene and the intranet about which O’Carroll says:

‘We have the intranet...It works pretty good. I think that the older staff don’t use it so much because they probably say well we know all that stuff anyway. But new staff the first thing they do for the first few days really is go through the intranet. And it is a good way to find people. We need to be much more proactive about it. We need to be much better at sharing knowledge, both formally and informally. But there is a reasonable amount of it going on.’

(O’Carroll, Appendix E)

O’Mahoney views every new idea as a good idea even if it doesn’t work. Delivering new ideas internally is difficulty due to the primacy of client focus. The company shares knowledge patchily he says. Their new sustainability business offer SusCom came out of informal contacts between staff who, while staying in their respective teams, came together due to an interest in sustainable matters. Otherwise the company has a social committee. Regarding which are more important to the organisation (formal or informal structure) the answers vary. O’Brien suggests that companies have to have flexibility to allow movement or the organisation will fail, however without formal structures it will fail anyway. Wallace proposes that the formality / informality relates to the history, ethos and background of each company ‘horses for courses’ because again architecture comes from individuals. While O’Carroll says MOLA tries to be as flat (structurally) and informal as it can, communication is a more important challenge as you don’t need too much structure if you have good communication. While acknowledging that formal structures in so far as they have them are important, for O’Mahony the
collegiate focus is the most important thing and the company has a very informal, open structure.

6.6.4.3 Analysis of the Key Points with the Literature

The evidence suggests that creativity is more amenable to low degrees of formalisation (Amabile et al., 1996) and that informal structures allow those in a company the flexibility to blend their expertise in unexpected ways delivering new products and services for competitive advantage (Prahalad and Hamel, 1990). This enquiry has suggested total de-centralisation to enhance creativity for competitive advantage. However the primary data suggests that it is difficult to get people to act as ‘one firm’ and to get them to work together across single business units for the benefit of the organisation as a whole.

This study concludes that the importance of informal structures is appreciated by those interviewed however the potential offered by informal structures to delivering enhanced creativity for competitive advantage is not widely evident, with the exception of O’Mahony Pike where the company’s new sustainability business offering SusCom was the result of informal connections between like minded employees.

This enquiry therefore recommends that Irish architectural practices with overseas offices should become more strategic in relation to their informal structures to address issues in relation to knowledge, competence and innovation, leveraging those relationships to drive creativity within the organisation for competitive advantage.

6.7 Work Environment / Creativity

6.7.1 Question: Does the work environment affect creativity?

6.7.1.1 Purpose of the Question

The purpose of this question is to explore interviewees’ beliefs in relation to whether or not the work environment affects creativity. The evidence from the literature
suggests that while certain people are more creative than others, creativity can be stimulated in the workplace (Amabile et al., 1996). This enquiry explores how strategic choices in relation to structure can deliver competitive advantage through increased organisational creativity for Irish architectural practices with international offices. The purpose of this question is to explore what aspects or dimensions of the work environment those interviewed consider relate to creativity.

6.7.1.2 Key Points in the Answers

O’Brien attests that Henry J. Lyons’ previous offices were more studio-based and explains that the company is currently in temporary offices. The company encourages movement between teams and interaction is required so that people are not closeted off therefore the whole office is open plan.
Wallace contends that the work environment does affect creativity if it is not liberal in its attitude and demanding. The work environment should demand people to think, be questioning in order to get an open environment for creativity.
According to O’Carroll, the work environment is absolutely critical to creativity. Each of its offices has a different flavour depending on the office lead in each location. How you create the right atmosphere conducive to good design is down to the personalities running the office.
According to O’Mahony work pressure does not help creativity as evidenced in the following answer to the above question:

‘Pressure does not help creativity. For instance, we are more creative now than we were in the boom because we actually have time to sit and think. Now it’s true we have very little to think about, but there is now doubt that at times the pressure of the boom decreased the creativity. You were going for proven solutions. You were getting stuff out. We were just being driven, driven, driven.’

(O’Mahony, Appendix F)
Therefore there are elements of the boom that the firm would be delighted never to see again. Pressure to deliver leads to a loss of direction.

6.7.1.3 Analysis of the Key Points with the Literature
The primary data suggests that, during the boom, workload pressure had a negative impact on creativity as articulated by O’Mahony. In contrast, Wallace maintains that a challenging work environment that demands people to think and the autonomy to be questioning secures an open environment for creativity. The importance of those in a supervisory position in relation to creativity in the workplace is highlighted by O’Carroll.

The evidence suggests that various environmental components can either stimulate or negatively impact on an organisation’s creativity (Amabile et al., 1996). The negative environmental components emerging in the primary data relate to what is recognised in the literature as ‘workload pressure’ during the boom years pressurising architectural firm to deliver. The positive components emerging from the primary data include ‘autonomy’ with freedom to question and freedom to think now particularly in recession; ‘supervisory encouragement’ with team leaders influencing; and ‘challenging work’ which demands people to think as stimulants to creativity - all highlighted in the literature as well as in the primary data as enhancers to creativity.

The workload pressure that existed during the construction boom has decreased significantly, which the literature and the primary data suggest had a negative impact on creativity. This enquiry therefore concludes that in the current market place for architectural services which is challenging (Construction Industry Council, 2009) the workload pressure experienced in the boom years has been replaced with new pressures such as the requirement to move into new markets and the importance of product and service innovation. Such pressures place new and challenging demands on staff but are stimulants to organisational creativity. When a marketplace is competitive, companies are required to innovate in order to create new products or services, bypassing the competition completely (Chan Kim and Mauborgne, 2005).

This enquiry therefore recommends that organisations need to nurture an encouragement of creativity and autonomy within firms: seeing the opportunity in the emergence of challenging work, as opposed to workload pressure, as stimulants to creativity for competitive advantage in difficult times.
6.7.2 Question: What elements of organisational structure effect creativity?

6.7.2.1 Purpose of the Question

The evidence shows that the organisational environment for creativity can be either enhanced or impeded by organisational structure (Amabile et al., 1996, Hordon, 2007, Von Stamm, 2003). The aim of the question is to identify which elements of structure are considered by practices as enhancing or impeding creativity and in order to review those answers with the literature. This direct question in relation to the theme of the enquiry takes place in the latter part of the interview as Kvale (2007) recommends at this point ‘the subjects have given their spontaneous descriptions and thereby indicated which aspects of the phenomenon are central to them’ (p.61).

6.7.2.2 Key Points in the Answers

The structure in Henry J. Lyons allows people to ‘find their own’ through the organisation being flexible in allowing movement between locations and teams for self–development says O’Brien. Crits in the organisation are formal but less formal than in college. In the firm he says that they are very direct with no waffle; very straight talking so there is no room for ‘spouting rubbish’. Answering whether or not there are any things that might stop someone being as creative as they should be O’Brien says:

‘You can’t say that a number of people haven’t passed through our organisation and you see them in their own practices that have leapt forward again.’

(O’Brien, Appendix C)

Structure can affect creativity in a good or a bad way according to Douglas Wallace. If the practice is one that is doing highly repetitive work, that firm requires more structure. If the practice is doing innovative, creative work then it requires a looser structure to get the best out of creativity or production.
For O’Carroll reviews of work are critical. They also send out some Irish to overseas offices to bring something of the way they work to those locations. Russians work for example in a highly structured command type structure which is not the MOLA way he says. There is very little formality in the organisation, the company will rarely stop an initiative with almost no barriers to getting on with things.

According to O’Mahony if the structure is dogmatic, if there is an office style this will elicit a negative response in practice. Those practices that are like that succeed in producing quality work but it is not innovative.

6.7.2.3 Analysis of the Key Points with the Literature

Wallace maintains that if a company is doing highly repetitive work then it requires more structure. This is supported in the literature also (Bratton et al., 2007) where it is clear that the organisations are more vertically complex where they are run for efficiency and control. The primary data suggests that companies doing more creative work require a flatter, more horizontally complex structure with fewer barriers as articulated by Wallace and O’Carroll. This is supported in the literature where it is suggested that flatter organisations enhance creativity (Hill and Jones, 2004). Frameworks which embrace complexity and multilateral viewpoints yet which also consider the elements that connect people are critical in design (Ahuactzin, 2009). This study therefore concludes at this point that that organisational complexity affects creativity and recommends that for creativity to be enhanced a flat structure is required.

The importance of flexibility to move between teams and locations is highlighted by O’Brien as an enhancer of creativity in the primary data. Formality was also a factor for O’Mahony in relation to team size with the rigidity of the formal team structure previously highlighted as an impediment for O’Mahony. O’Carroll highlights that the rigidity and conservative command type structure of the Russian office is tempered by the organisation moving staff from Ireland to encourage less formality. The evidence suggests that when formalisation is low, employees have more freedom to work at their own discretion and that creative work is amenable to low degrees of formalisation as the work is less defined and controlled by rules (Bratton et al., 2007).
This study therefore concludes that when formality is low, creativity is enhanced and that when formality is high creativity is impeded. In relation to formality therefore, this enquiry recommends that architectural practices for whom creativity is a source of competitive advantage consider the mobilisation of both formal structures and informal ones. Keeping formalisation of structure low and increasing the contribution which can be made by informal structures can enhance a company’s competitive position by increasing creativity accordingly.

6.7.3 Question: Finally, any other comments on creativity and organisational structure?

6.7.3.1 Purpose of the Question

The purpose of this open question is to illicit any information that the interviewee may have forgotten but now wants to include given that the interview is nearly over. Kvale (2007) states that the interviewer is ‘responsible for the course of the interview and should indicate when a theme has been exhausted’ (p.61). Accordingly, the interviewer indicates with this question that the interview is concluding and asks one final probing question.

6.7.3.2 Key Points in the Answers

For O’Brien the struggle is to keep the organisational structure loose and not too tight to allow the practice be creative but that this needs to be achieved all within budget and ‘not going wild...you have to put limits on things’ he says.

The challenge for Wallace is how the industry is organised. Competitors are low cost providers who are highly competent where as the industry here is suffering from fatigue now in Wallace’s opinion. Answering the above question the analogy made by Wallace is interesting:

‘I read the history of Athens. That was quite interesting because what ended up was the Athenians and the Sparticans ended up having a war for like 40 or 50 years between the two of them and then the Persians
just walked in because they were all exhausted having been at war for 40 years. That is the way architecture and design is at the moment.’

(Wallace, Appendix D)

There is a huge opportunity for the creative industry in Ireland to act as a group and pitch for large projects, suggests Wallace however practitioners need to learn to work with each other for mutual benefit – ‘not holding our arm over our shoulder so somebody can’t see what I am doing.’

Benchmarked by how their staff feel they are doing, MOLA is ‘doing fine’ says O’Carroll particularly during these difficult times as evidenced in staff feedback. However, answering the above question reveals interesting additional comment by O’Carroll:

‘It’s the most difficult, mercurial thing to manage – I’ll say that. It’s so intangible you know creativity and design and then you are trying to apply management structures to it. We have all sorts of people here and some of them are downright mavericks. I know in other firms they would be put in their place. We try to give them their head, at the same time you have got to try to manage them or the whole project could go off the rails. It would help if we knew how to do it better.’

(O’Carroll, Appendix E)

According to O’Mahony architectural practices are immensely ephemeral especially those driven by design, innovation and high-end work which probably have a very finite life-span of one generation in his opinion. Commercial practices are very different. O’Mahony maintains that the reality of the commercial practice is that it works a different way:

‘I think architectural practices are immensely ephemeral... It’s very rare to see a practice lasting longer than 25 years unless it’s a business. Practices that are driven and run specifically for design, innovation and for high-quality top-end design have a very finite life span probably a one generation life span... But commercial practices, that’s not the way it works. It’s a business and that business recruits the best people it can get and so they survive
much longer. If you can come up with a methodology that ensures that creative design filters effectively through a practice to ensure an evenness of quality across the whole practice then you can sell that because none of us do it right. None of us have got it right yet that I can think of. I think we all know what to do but we don’t know how to do it.’

(O’Mahony, Appendix F)

6.7.3.3 Analysis of the Key Points with the Literature

The fatigue that some in the sector are experiencing, following a period of rapid growth during the boom construction years and severe contraction now with recession is evident in the primary data. This leads Wallace to determine that practitioners now, more than ever, need to learn how to work together for ‘mutual benefit’. In a previous answer relating to the challenges of internationalisation O’Mahony raised concerns about having enough energy and enthusiasm to get the work abroad. This fatigue is a concern and a potential threat for those practices seeking to grow internationally.

Both O’Mahony and O’Carroll state that research in this area would assist professional practice. Answering the above question O’Carroll articulates this by saying that trying to apply management structures to creativity and design is ‘the most difficult, mercurial thing to manage…it would help if we knew how to do it better’. O’Mahony answers by suggesting that ‘none of us have got it right yet that I can think of. I think we all know what to do but we don’t know how to do it’.

O’Brien at Henry J. Lyons summarises by saying it is a struggle is to keep the organisational structure loose and not too tight to allow the practice be creative. His comments in relation to the fact that larger, more commercial firms have to achieve creativity within limits and on budget outline the realities of the commercial practice both in relation to size and creativity. This is echoed in O’Mahony’s comments who outlines the ephemeral nature of highly creative practices and the business nature of commercial practices. Therefore guidelines in relation to organisational structure and
creativity would be of benefit to practices driven by innovation and creativity whose company’s lifespan would otherwise be short lived and also of benefit to more commercial architectural practices, which as a result of this enquiry could become more creative.

6.8 Summary

The interviews were semi-structured which allowed probing of the interviewees and clarification of questions by the interviewer as appropriate. The questions followed a line of enquiry which sought to firstly put those interviewed at ease while also providing an opportunity to yield spontaneous descriptions in relation to organisational structure and creativity. Both follow-up and probing questions were used together with more specific queries in relation to internationalisation, strategy, strategy implementation and re-definition, competitive advantage, creativity and organisational structure. These questions provided structure to the interview exploring those themes in a logical pattern of enquiry. In doing so the study has achieved its objective of gathering primary data in relation to the experiences of those interviewed about the themes explored. Finally, an open question in relation to the enquiry invites the interviewee to contribute something which may have been overlooked during the course of the interview.

The interviews highlighted something that was not previously considered. Specifically it uncovered that recommendations made as a result of carrying out this enquiry would benefit different kinds of architectural practices in different ways. Commercially driven architectural practices should consider the recommendations in the following chapter and implement them in order to support creativity within their organisations for competitive advantage. While architectural practices driven by innovation and creativity should consider those recommendations in order to prolong the company’s lifespan by taking a more strategic approach to the business while also supporting creativity. The key points of the answers were outlined and an analysis of the primary data with the literature identifies where conclusions and recommendations can be made. These are outlined in the following section.
Chapter 07 | Conclusions and Recommendations

7.1 Introduction

This enquiry aims to develop best practice guidelines for optimal organisational structure for Irish architectural practices that support creativity which can thereby enhance competitive advantage. The primary data together with the literature have been analysed and interpreted in the previous chapter. The conclusions which can be made and recommendations towards best practice guidelines are presented in this section.

These conclusions and recommendations are based on knowledge gathered at a time when the marketplace for architectural services in Ireland and internationally is turbulent. Therefore the knowledge gained may or may not be transferred to other relevant situations. The ability to generalise extensively from this work is not the concern of the study. Rather its aim is to answer the specific research question regarding how strategic choices in relation to structure can deliver competitive advantage through increased organisational creativity for Irish architectural practices with international offices. In order to answer that question effectively the study identified certain objectives that would need to be achieved. Those objectives are addressed in the conclusions and recommendations presented in this chapter.

7.2 Conclusions

7.2.1 The Current Status of Architectural Practice in Ireland

Pulling the information together in relation to the current status of architectural practice in Ireland has increased the body of knowledge available for anyone interested in making recommendations in relation to Irish architectural practice. The depth of the background information brought together for the purpose of this study provides important information for the stakeholders who can benefit from the current status of the sector presented.
In previous turbulent times, in the 1970s, 1980s and 1990s, Irish architectural practices looked mainly at the UK for new markets but this is no longer the case. There is a greater mix of new markets being considered by Irish architectural practices at present decreasing the level of dependence on the UK which was seen as a weakness of the sector as recently as 2007.

Opportunities exist for Irish architectural practices that innovate with market-led products and services as they will be better placed to secure expansion and growth internationally. Threats exist from low cost providers who are moving into the architectural market and competing on low cost rather than value differentiation.

Some practitioners in the architectural sector are experiencing fatigue, following a period of rapid growth during the boom construction years and severe contraction now with recession is evident in the primary data. This fatigue is a concern and a potential threat for those practices seeking to grow internationally.

Practices take a strategic approach to planning at present. The impact of the recession has focussed minds on strategic planning and new markets. In turbulent times challenge is at its greatest, which is powerful source of creativity. Shifting mindsets towards innovation based strategies can create new forms of growth, value and advantage.

7.2.2 The Relationship between Structure and Strategy Implementation Identifying the Influences on Organisational Structure

While general observations and observations have been made about strategy in the construction and design sectors respectively, this enquiry increases knowledge in the area of strategy for Irish architectural practices specifically. It explores strategy further to show how the consideration of strategic implementation and structure in supporting strategy are equally important significantly contributing to professional practice. This is of benefit to stakeholders who can consider their strategic planning in a more in-depth way in the future taking into account both implementation and structure as well as strategy from the outset.
There is a danger in a company being too rigid and not flexible enough to re-define its strategy quickly and implement those changes in the light of a new marketplace or changes to existing markets. The flexibility of the organisation is critical for Irish architectural practices in a rapidly changing marketplace as it can affect their competitive advantage in relation to their ability to adjust, innovate and adapt quickly.

The success of any strategy is dependent on its strategic implementation. This requires that companies consider how their organisational structure will support the co-ordination of the company’s resources in order to achieve that strategy.

7.2.3 The Concept of Organisational Creativity for Competitive Advantage, Identifying Variables that Inhibit and Enhance this Desired State.

Organisational creativity relates to the social setting in which individuals work. Workload pressure that existed during the construction boom has now decreased significantly, which had a negative impact on creativity within Irish architectural practices. The current challenging market place for architectural services brings with it new workplace pressures such as the requirement to move into new markets and the importance of product and service innovation. Such pressures place new and challenging demands on staff but are stimulants to organisational creativity.

7.2.4 The Relationship between Structure and Creativity within the Organisation.

Creativity is required by companies to innovate new products or services in order to deliver competitive advantage. There is no ‘standard’ structure which can be recommended for Irish architectural practices with international offices, no via regia to arrive at a particular structure to support creativity within organisations. In an organisation creativity can be enhanced or impeded by various dimensions of an organisation’s structure.
7.2.5 The Elements of Organisational Structure, Appropriate to Irish Architectural Practices with International Offices, which Affect Organisational Creativity.

Those elements of organisational structure identified which affect the work environment for creativity are complexity, formality and centralisation.

There is strong evidence to suggest that organisational complexity affects creativity and that for creativity to be enhanced a flat structure is required. This study therefore concludes that when formality is low, creativity is enhanced and that when formality is high creativity is impeded.

As competitive intensity increases, those flatter companies can gain competitive advantage by responding rapidly to market change by pioneering new products, processes and services.

The ability of firms to cut across the interests of individual business units is critical for those practices with overseas offices if they are going to achieve a blend of functional expertise and thereby maximise the potential of the firm as a whole. Those architectural practices that diversify, and in doing so blend their expertise, will achieve new ways of building unanticipated products and grow accordingly.

The importance of informal structures is appreciated by Irish architectural practices with international offices however the potential offered by informal structures to delivering enhanced creativity for competitive advantage is not widely evident.

How centralised or de-centralised Irish architectural practices with overseas offices are is important in relation to creativity for competitive advantage. Given that organisations become more bureaucratic as they grow larger, de-centralisation allows employees more involvement in decision making thereby increasing intrinsic motivation which drives creativity.

While recommendations can be made in relation to the de-centralisation of the design teams of architectural practices to enhance creativity, conclusions in relation to
administrative teams which support the work of the firm across the organisation can only be suggested. Findings suggest that partial de-centralisation as an option for some organisations who may wish to reduce bureaucratic costs.

Partial de-centralisation as a model however leaves the quest for the ‘one firm’ is still unresolved. Yet, when functional expertise is blended across the organisation new products and services can emerge in unexpected ways. Therefore if companies are going to drive creativity, preliminary evidence can only suggest that full de-centralisation be considered in order to increase speed to market and new markets.

7.3 Recommendations

7.3.1 The Current Status of Architectural Practice in Ireland

It is potentially detrimental to the architectural market that enquiries, from prospective international clients, to the RIAI cannot currently yield a comprehensive list of all practicing registered architects in Ireland. It is recommended that the Government quickly determine the details of how the new Buildings Control Act 2007 is to be operated. The registration of the title of ‘architect’ will then be operated by the RIAI, ensuring that the international stature of Irish architectural practices will then be benchmarked against an agreed standard and that Irish architecture is transparently registered.

7.3.2 The Relationship between Structure and Strategy Implementation

Identifying the Influences on Organisational Structure

Irish architectural practices with international offices should ensure that the structure of their organisations ensures flexibility in order to innovate rapidly and adapt to change when the need arises. Their shareholding arrangements should not become impediments to flexibility and they also need to consider whether or not restructuring is required when changes in strategy take place so that they remain as innovating organisations.
Innovation based strategies should be adopted to deliver both value and cost benefits to the client and creating new demand by making the competition irrelevant.

The evidence shows that even where people have experience and a strategic focus they can still fail as they do not consider strategic implementation or do not plan correctly. Therefore training for managers in strategic planning is recommended as this could assist Irish architectural practices better undertake strategic planning and its implementation accordingly.

7.3.3 The Concept of Organisational Creativity for Competitive Advantage, Identifying Variables that Inhibit and Enhance this Desired State.

In relation to creativity within architectural practices, there is a focus on the architectural product which is traditionally delivered by architects and designers. Designers and architects are responsible, along with others in the company, for making creative strategic decisions about the organisation. Opportunities to leverage organisational creativity for competitive advantage need to be considered by Irish architectural practices beyond the creative process of production. If a company has strategies to enhance its organisational creativity this can result in new services, more creative processes and new market entry. Strategy involves everyone: Irish architectural practices should blend expertise across the company and have strategies in relation to creativity for the company. This can increase its organisational creativity for competitive advantage accordingly.

These organisations need to nurture an encouragement of creativity and autonomy within firms: seeing the opportunity in the emergence of challenging work, as opposed to workload pressure, as a stimulant to creativity for competitive advantage in difficult times.

Top managers need to consider strategic human resource management and implement a structure that best supports the strategies of the company, which at the same time offers the fewest limitations in order to support creativity for competitive advantage.
7.3.4 The Relationship between Structure and Creativity within the Organisation.

Commerci ally driven architectural practices should consider these recommendations in relation to their structure in order to support creativity within their organisations for competitive advantage.

Architectural practices driven by innovation and creativity should consider these recommendations in order to prolong the company’s lifespan by taking a more strategic approach to the business and its structure while also supporting creativity.

7.3.5 The Elements of Organisational Structure, Appropriate to Irish Architectural Practices with International Offices, which Affect Organisational Creativity.

Various dimensions of organisational structure need to be considered in order to support the work environment for creativity. These are complexity, formality and centralisation.

The complexity of the organisation needs to be considered by Irish architectural practices in relation to their ability to innovate and adapt quickly to market change for competitive advantage as the flatter the organisation to more creativity is enhanced.

Keeping formalisation of structure low and increasing the contribution which can be made by informal structures can enhance a company’s competitive position by increasing creativity accordingly. Irish architectural practices should consider the mobilisation of both formal structures and informal ones to better maintain the collegiate relationships across the organisation. This is important to the development of new ideas, products and services.

Irish architectural practices with overseas offices should become more strategic about their informal structures to address issues in relation to knowledge, competence and innovation, leveraging those relationships to drive creativity within the organisation for competitive advantage.
For practices seeking competitive advantage through creativity, their reputation for innovation and design quality is important in order to differentiate them accordingly. In such practices, the design/architectural teams should be de-centralised in order to drive creativity within the practice.

De-centralisation needs to be supported by clear collaborative arrangements to share knowledge so that individual business units share skills across the organisation.

### 7.3.6 Further Study

Research into the optimal size of team and its relationship to turnover to develop guidelines in this area could enhance knowledge in this area. Undertaking such a study could prevent team sizes in the future becoming too large and thereby possibly loosing direction and suffering from a lack of identity.

An enquiry into the quality assurance process of peer review (crit) is outside the scope of this thesis but could add to knowledge about the way creativity flows across the organisation. That research could address the optimal stages of the design process to carry out peer reviews in order to drive innovation and creativity thereby leveraging the influence highly creative staff for mutual benefit.

### 7.4 Summary

These guidelines are written at a time of great change within the architectural sector in Ireland which brings with it new opportunities. The conclusions show how strategic choices in relation to structure can deliver competitive advantage through increased organisational creativity. There is no one structure which can be recommended over another. Rather it is the dimensions of structure which need to be considered. These include complexity, formality and de-centralisation. The importance of strategic human resource management for the implementation of strategy is outlined. The benefits of innovation based strategies for the sector are highlighted. The recommendations serve as best practice guidelines for optimal organisational structure of Irish architectural practices that support creativity, thereby enhancing competitive
advantage. The study has identified areas of further study outside the remit of this thesis. This can enhance knowledge in this area by making recommendations in the areas of peer reviews and optimal team size.
Bibliography


DEPARTMENT OF ENTERPRISE TRADE AND EMPLOYMENT (2007) Speech by Minister Martin at the launch of Enterprise Ireland’s Strategy 2008-2010 -


## Appendix G: Thesis Schedule

### Overview Plan

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<tr>
<td>D4 Description</td>
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<td>Sept.1st Upload final Draft</td>
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<td>Sept.21st Final Submission</td>
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</tbody>
</table>
Appendix A: E-mail sent to CEOs (in fulfilment of ethical requirements)

Dear X,

Thank you for agreeing to let me interview you this Wednesday, 24th June, at 3.30 in your offices. I appreciate that you would take the time out of your schedule. It should take one hour. The interview is for my Dissertation towards an MA in Professional Design Practice (in DIT). The study aims to explore the relationship between Organisational Structure and Creativity in Irish architectural practices with international offices.

To ensure accuracy, with your permission, I will record the interview and forward a transcript to you afterwards for your consideration. The interview will form part of the submitted dissertation and as such will not be confidential.

I was a Principal in Douglas Wallace Architects before we went into Liquidation and it was during my seven years there that I became interested in the above topic. The ultimate aim of this project is to develop best practice guidelines for optimal organisational structure of architectural practices that supports creativity which can thereby enhance competitive advantage.

Many thanks once again.

Yours sincerely,

Aine Rooney

Mobile No. [provided]
## Appendix B: Interview questions (purpose and expected response)

<table>
<thead>
<tr>
<th>Thematic Questions</th>
<th>Reason for the question</th>
<th>Researchers expected response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coding</strong></td>
<td><strong>Background / Overseas Strategy / Strategy implementation</strong></td>
<td></td>
</tr>
<tr>
<td>Can you tell me some of the background to the organisation and your role within it?</td>
<td>Establishes their world view and puts them at ease.</td>
<td>Biographical journey</td>
</tr>
<tr>
<td>How did your organisation evolve from a national business to an international one?</td>
<td>To establish whether strategic or opportunistic?</td>
<td>Opportunistic but emerging strategies</td>
</tr>
<tr>
<td>When did you decide to open up overseas?</td>
<td>Est.period in the economy</td>
<td>Recently</td>
</tr>
<tr>
<td>What were the decisions that led to that?</td>
<td>Established current thinking Present/future Responsive / pre-emptive</td>
<td>Based on the expertise we built up during boom years we had the expertise</td>
</tr>
<tr>
<td>Was there a clearly defined strategy?</td>
<td>Theory driven question – to see if the strategy is based on the competition, to innovate or sectoral change (economic downturn)</td>
<td>To survive the downturn in the market – not focussed on innovation or ability to react quickly/flexibly</td>
</tr>
<tr>
<td>How was that strategy implemented?</td>
<td>Open question – too see if strategy is linked with structure</td>
<td>Not by changes in structure</td>
</tr>
<tr>
<td>Has that strategy been redeveloped or redefined?</td>
<td>Theory driven question – to explore the area of re-structuring as it relates to</td>
<td>Don’t think I will find a clear sequence here of new strategy, problems</td>
</tr>
</tbody>
</table>
Has that changed? | As above
---|---
**Coding** | **Strategy / Competitive Advantage / Creativity**
What particular aspects of your strategy do you feel effectively achieve competitive advantage? | Open question explore cost, value, innovation – see what is mentioned. Will find this question difficult, initially will give a stock answer – probing will be required.
Do you have strategies around creativity for your organisation and / or your clients? | Est. how the company views creativity. Yes but client focussed.

**Coding** | **Organisation structure / internationalisation**
How did your organisation structure have to change to cope with the internationalisation of the company? | See if structure had to change in any way due to internationalisation – been thought about strategically. Do not know the answer they will give.
Has this changed since implementation? Why? | As above.
What challenges did the organisation face form an organisational structure aspect in supporting an international business? (e.g. technological) What were the effects on performance...? pros (strengthened)/cons (were they dealt with)? | See what can be learned from their experiences of the international market place, challenges may be different – see if any affect on performance. Preference for organic growth. Performance issues relating to cross border management.

**Coding** | **Company Structure / Dimensions**

160
<table>
<thead>
<tr>
<th>How is the company structured? [divisions, departments (Formality)]</th>
<th>Theory driven question relating to the design of each organisation structure – not asking about dimensions – see what is mentioned</th>
<th>Focus on divisions / sectors for growth.</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many levels are there in your organisation? (tall or flat)</td>
<td>Theory driven question – about organisational complexity</td>
<td>Expecting a traditional hierarchy</td>
</tr>
<tr>
<td>How centralised is the operation? (Self managed teams / authority at lower levels, where are the central functions)</td>
<td>Theory driven question – about organisational centralisation</td>
<td>Fairly centralised – maybe partially decentralised due to o/s offices</td>
</tr>
<tr>
<td>Are there any informal structures?</td>
<td>Theory driven question – about organisational informal structures</td>
<td>“Such as” – i.e. not really considered as that important – intranet as the stock answer.</td>
</tr>
<tr>
<td>Which are more important to the organisation formal or informal, why?</td>
<td>See what value is given to informal structures – evidence to be sought</td>
<td>Will say both valuable</td>
</tr>
<tr>
<td><strong>Coding</strong></td>
<td><strong>Work environment / Creativity</strong></td>
<td></td>
</tr>
<tr>
<td>Does the work environment effect creativity?</td>
<td>Open question – to gain interviewees explicit assumptions to see what effects creative collaboration in the workplace</td>
<td>Time pressure as a negative Permission to fail as a positive</td>
</tr>
<tr>
<td>What elements of organisational structure</td>
<td>Theory driven question – to see if it is implicit in</td>
<td>Too many bosses (Tall) Lack of opportunities to</td>
</tr>
<tr>
<td>effect creativity?</td>
<td>the interviewees collaborate with colleagues in other locations with expertise required Departments being too formalised</td>
<td></td>
</tr>
<tr>
<td>Any other comments on creativity and organisational structure?</td>
<td>Open question</td>
<td>Expecting rich response to this question</td>
</tr>
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</table>
Appendix C: Interview 1, Mr. Paul O’Brien of Henry J. Lyons and Partners

Interview Meaning Condensation

<table>
<thead>
<tr>
<th>Natural Unit</th>
<th>Central Theme</th>
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<tbody>
<tr>
<td><strong>Interviewee:</strong> Paul O’Brien, Managing Director, Henry J. Lyons &amp; Partners Architects</td>
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<tr>
<td><strong>Location:</strong> Haddington Court, Haddington Road, Dublin 4.</td>
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<tr>
<td><strong>Date:</strong> 24\textsuperscript{th} June 2009</td>
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<td><strong>Duration:</strong> 00:26:09</td>
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**Background / Overseas Strategy / Strategy implementation**

AR: Can you tell me some of the background to the organisation and your role within it?

PO’B: Henry J.Lyons is a very old established practice. It’s over 90 years old, so it’s been around for quite a while. I joined it in 1981. I’ve worked my way up through the ranks. I suppose we worked traditionally abroad as well, when times were hard in the early 1980s/mid 80s we worked in the Middle East and in other places so we’d have established contacts with different firms and different organisations.

AR: So working abroad was always part of the ethos or the work of the company?

PO’B: We always did projects abroad. We always have been - it hasn’t just grown in the last 20 years or so. It hasn’t just grown, it’s an old established company and it has some old established clients. That would be recognised amongst certain companies in a worldwide capacity.

Coding

- Co. is 90 yrs old
- Have always worked abroad
AR: How did your organisation evolve from a national business to an international one?

PO'B: I suppose really it was in the 80s that we really started to look at working abroad. In the 70s, sorry, in the mid 70s... before I joined we had work in Saudi and other parts of the Middle East.

AR: But, the decision to open up an office overseas, how did that come about?

PO'B: Our first office, I suppose, we had an office overseas in the Middle East in the 70s and that was because of the bad times here in the late 70s.

AR: Was it a strategic decision to open up the office there?

PO'B: It was more about survival... than anything and it wasn’t a strategic decision not planned out so as soon as things started to get a bit worse in the mid 80s over in the Middle East and it was tighter and harder to get money out of... and things were getting better here so it was quite an easy decision to... back and do any work we were doing from here. But we had an office in Belfast in the early 80s and we had an office in London – we kept open in London throughout the 80s but it never made any money and we closed it. The same thing with Belfast.

AR: And do you have a strategy now around your other offices now in terms of business planning?

PO'B: We are trying to roll out a certain model of architecture and of branding ....... its more about the brand, Henry J. Lyons and what that means, and I suppose that means the quality of the architecture looked to internationalise their presence thinking about it in the late 70s due to bad times in Ireland then

In the 80s not strategic about opening abroad – Belfast and London first (since closed as loss making)

Strategy is about the brand – quality of architecture and design
and design. Most design is reviewed here in Dublin for all of our projects, wherever we are doing them. They are regularly designed here. The Lead Designer would come from Dublin to oversee and manage the projects abroad.

AR: So the design crits would happen here and the quality approval is managed from here?

PO'B: Yes.

AR: OK. Would you say that since opening up the offices that you are constantly re-defining your strategy or would it be depending on how they go...?

PO'B: Very much so, I mean the market is always changing and even market dynamics and even costings are changing. So you have to be flexible. You have to be reviewing it, even more so in the last 18 months. Nobody has a three year plan. A one year plan is more likely.

AR: How does that flexibility show itself then...

PO'B: You have to define what you are doing and we target what we are doing every six months. Markets change. Like for example in China, they went into a kind of a meltdown at the end of last year. Everybody waits for the Chinese New Year. Nothing happens during Christmas; nothing happens in January and everyone expected a lot to happen in February but it didn’t happen. Then, all the Western developers pulled out because they couldn’t get funding. It wasn’t until March/April that all the Chinese developers came in ‘cos they had lots of money......so that means a completely different appraisal of everything you are doing....suddenly, you are

Now constantly reviewing strategy every 18 months – no 3yr plans anymore

flexibility important as market dynamics changing constantly

e.g. China – completely different clients / client groupings

flexibility and ability to make quick decisions critical
changing direction in terms of your marketing to different types of clients. Completely different type of clients / client groupings.

AR: So you have been very successful at that – the ability to shift quickly?

PO'B: You have to have that. If you are not on top of it, you’re just rolling out a model that you review every few months, you could die fairly quickly. You have to have the ability to make quick decisions and a dynamic team at the top that can make quick decisions. The leadership team that we have would be one that I would say would be very dynamic and can make quick decisions and can carry it through at Board Level. You have to have that.

Strategy / Competitive Advantage / Creativity

AR: What particular aspects of your strategy do you feel effectively achieve competitive advantage? I see that flexibility is one of them.

PO'B: Yes, and delivery. We build trust, not just with clients but with other team members. Design Team members would be doing work internationally, like with Scott Wilson we are doing work on three continents with them. And it’s the same people that you meet all the time. And they are travelling in the same circles, same venues you know. We are working with them throughout China now. We are their ‘preferred architects’ to bid. They have their own ‘in-house architects’ but they won’t use them because they get a better service from us. And they know that they have more chance of winning work by using us. We are working with them and I have introduced them to some projects in the Middle East. So that’s all growing. You develop partnerships as well as client trust. And there are lots of international client organisations ...you find the same developer from the Middle East is going over to China, and Vice
Versa. You get that dynamic moving around the world more and more. It is happening a lot more around the world than say twenty years ago.

AR: Was that to do with the scale of the jobs or is it something else?

PO'B: It just that there is more movement of people and more movement of people looking at different horizons and different markets. Before, traditionally I’d say people just looked at their own, narrow sort of... “I like in Kuwait, develop in Kuwait”, now they look at what’s going on over in China. “Look at that site, there”. You meet people in the Emirates, but they would be talking about a site in Shanghai that you would know about. You know that other developers are looking at it – it becomes a smaller universe / world.

AR: Do you have strategies around creativity for your organisation and / or your clients? Is it something that you think about?

PO'B: Most architectural practices will tell you that they strive for excellence and a whole load of ‘buzz’ words. What we do is try to understand what our clients want not just deliver as architects what the client should have. We actually look at what the client really wants. And if we deliver what the client really wants and deliver it really well, achieve excellence in architecture - we get client retention.

AR: Is it to do with what the client really wants or an innovative solution, or is it to do with the price or the cost or the quality?

PO'B: All of them - that you are maximising and giving them better

Internationally there is a lot of movement of people looking at different horizons and markets – smaller universe.

Understand what the client really wants, deliver it really well, and achieve excellence in architecture – client retention.

Give them better than what they thought they might get/achieve.
than what they thought they might get or achieve and gaining their trust, that you are listening to them. Most clients will have their opinion. They mightn’t be able to express it properly but if you go off and do something, they get really annoyed if you try to shove it down their throats!

<table>
<thead>
<tr>
<th>Organisation structure / internationalisation</th>
<th>Coding</th>
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</thead>
<tbody>
<tr>
<td>AR: How did your organisation structure have to change to cope with the internationalisation of the company?</td>
<td>Clean shareholding in 02/03 allowed flexibility to do things - i.e. freedom to look at other markets / types of work</td>
</tr>
<tr>
<td>PO'B: We set up I suppose one of the first building blocks was that we set up a system in here that actually valued the company at ‘zero’. That allowed us movement in and out of the shareholding and flexibility to do things. We had a lot of legacy issues. We got out of those. That was the first thing, one of the major things that we had to do. And we got through that in 2002 and 2003. That allowed systems to be developed that allowed us target markets, other markets and other types of work.</td>
<td>‘In with nothing out with nothing’ is working as shareholding model.</td>
</tr>
<tr>
<td>AR: OK so you can appoint somebody as a Director in another country and they can buy into that system?</td>
<td></td>
</tr>
<tr>
<td>PO'B: In and out, there is a very transparent....the organisation</td>
<td></td>
</tr>
<tr>
<td>AR: Has this (structure) been revisited / changed since 2002 or has it remained the same?</td>
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<tr>
<td>PO'B: The basic system of ‘you come in with nothing and you leave with nothing’ is still there.</td>
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<tr>
<td>AR: What were the key challenges did the company face from organisational structure aspect in supporting an international</td>
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</table>
business would you say? Like what are the big challenges when you have so many people and they are spread?

PO’B: Setting up any place ....we tend to set it up ourselves from the ground up rather than taking over. I suppose we believe strongly that and organisation (and this comes from our policy that ‘you come in with nothing and you leave with nothing’) is only as good as the people themselves. It’s the key people – if you buy and organisation and the key people leave, you are left with nothing. So, we build up. It tends to take a long time. It’s more onerous and arduous in building up a company in a new country. You can’t do it in one year and it takes a good bit of time. It has huge financial implications.

AR: So everybody has to buy into that ethos then, in terms of the people who have bought in?

PO’B: You have to bring everybody along. It comes down at the end of the day, in having a strong belief in what you are doing and having a strong team at the top. .....pull it through and that they are unified in what we are doing.

AR: What were the effects on performance...when you are faced with challenges like that?

PO’B: Everybody’s monitory dividends, or we don’t have dividends, their monitory reward, will be affected by the more investment you have and pulling people along.....that’s difficult, especially in these sort of times.

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<thead>
<tr>
<th>Company Structure / Dimensions</th>
<th>Coding</th>
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</table>

169
AR: Fair enough! So, how is the company structured then in terms of divisions or departments? What does it look like?

PO'B: We have a Board of Shareholders, just the annual meeting. We have a Board of Directors. We have a Leadership Team which is four people.

AR: Is that for the whole organisation, not just Dublin?

PO'B: Yes. The whole thing is run from Dublin.

AR: In terms of centralised functions (financial, marketing)?

PO'B: Yes. Marketing would be local. All reporting is done monthly by location and all decisions are made here in Head Office.

AR: What does a location’s team look like?

PO'B: Location’s team would have a senior person, a Director in charge of that location, and one or two depending on the size, or more. It would have a business development person. In terms of financials and that, it would be more junior in the location and the senior financial; I mean all financial decisions would be made here. Legals would be the same. They would get their own legal advice locally because it differs from location to location. But the overview on everything financial and legal and design-wise would be held here.

AR: How many levels are there in your organisation? Let’s say in a team, you say there are four Business Leaders and a Board of Directors: would a Director be a Business Leader also or is that a
level down?

PO'B: Each Director is responsible for their own body of work.

AR: OK what would that look like so, would they have managers who have teams, how many layers under that are there?

PO'B: It depends on the workload of that Director, what levels of people he would have underneath him: associates and project team leaders.

AR: Would there be a lot or a few in terms of would you have junior designer, designer... or a junior technical, technician?

PO'B: There are about eight or nine different categories. We have them all tabulated out. One of our Directors, Martin Donnelly, does most of the writing out of all of those job descriptions. He is on the Board of Education in the RIAI. He is able to write it all out. We believe we have it more descriptively written out than the RIAI.

AR: So up to nine, so you can see very clear progression then, a path?

PO'B: Everything is written out and the differentiation between out technologist and architect. We have Associate Technologists. The difference between Associate Technologist and Senior Project Architect, everything is scripted. Everybody knows. There are bands of salaries.

AR: It’s very transparent.

PO'B: Yes.
AR: How centralised is the operation?

PO'B: It's run from here. Everything. We would know, I would know nearly everybody in the organisation. I do know everybody.

AR: How many staff do you have in total?

PO'B: Currently we just have over a 100.

AR: And how many offices in total?

PO'B: Five. In Dublin, Cork, Liverpool, Abu Dhabi and China (Shanghai).

AR: Are there any informal structures in operation in your company? For example let's say if there is a Retail Designer in Shanghai who is very good and there is a Retail Designer in Dublin or Liverpool, is there any way that they get together informally?

PO'B: All the time it happens fairly frequently. We have a very good Intranet system. What we do first of all is our IT systems with our offices so we have replication and back up with the three major offices which are Dublin Cork and Shanghai and so all data is backed up with all of them. So, we were on video conference this morning to Shanghai. We'd have all of that going on.

AR: They would be standard meetings, but would there be informal meetings?

PO'B: We have one of our people going over to the Middle East as there is a requirement for certain building types over there and the

<table>
<thead>
<tr>
<th>5 offices</th>
<th>Dublin, Cork, Liverpool, Abu Dhabi, Shanghai</th>
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</thead>
<tbody>
<tr>
<td>Informal structures -</td>
<td>intranet, video conferencing</td>
</tr>
<tr>
<td>Experts travel between offices based on</td>
<td>project need - recognised in the billing.</td>
</tr>
<tr>
<td>expertise</td>
<td></td>
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same would happen in China if there is a certain resort type or whatever there would be complete travel flexibility.

AR: Is that something that happens or do you call them knowledge communities or anything like that? Is it recognised in any way?

PO'B: It is very much recognised in the billing. Each entity is a separate entity in the billing.

AR: What's it called in the billing?

PO'B: It's a straight charge to a particular project wherever it is that there is a requirement for that sort of expertise to be there. And there be recognition by the people in that office that they need this sort of expertise.

AR: And is that something that they have the freedom to call on themselves?

PO'B: Each Director is responsible for the profitability of that centre.

AR: Do you have any opinion about which is more important to the organisation, the formal or informal structures?

PO'B: You have to have both. You have to have flexibility within the organisation to allow movement or else it's going to fall or if you don't have the other structures it's going to fall apart anyway. You have to have both.

<table>
<thead>
<tr>
<th>Work environment / Creativity</th>
<th>Coding</th>
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<tbody>
<tr>
<td>AR: Does the work environment affect creativity in your opinion?</td>
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</table>
PO'B: We are in these offices which you would say are “my god, it’s like the 1970s!” An old brown brick building, you know. It’s not the best we had lovely offices before this with high ceiling, more studio based. We encourage movement between teams. You have to have interaction. We don’t allow for people to be closeted off. There is nobody in our organisation that has an individual office. Nobody. I am out in the open floor area.

AR: Do you think there are any aspects of structure that effect creativity in the organisation, in your opinion? Do you think there is anything that helps it or stifles it?

PO’B: Everybody is allowed find their own – that’s what I believe. Others will say different probably. But I think there is ability for people to move. It’s flexible enough to move to whatever location or whatever team that allows you to develop. We would have an annual review (it’s meant to be twice a year but it only happens once a year) where you review the performance with each individual.

AR: What about if somebody said “I think I am really creative” but you could never show their work to a client for example?

PO’B: We are very straight about things like that! Very, very straight. It would come across at crits and that. Our crits wouldn’t be limited to just a select few. We have it open. We wouldn’t tolerate someone coming in and spouting out a whole load of rubbish. They’d be told very quickly. It’s a bit more formal in some ways but a bit less formal that in college crits – they are very direct. You wouldn’t be able to waffle.

<table>
<thead>
<tr>
<th>Open office to encourage interaction</th>
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<tbody>
<tr>
<td>Structure in the org allows people to ‘find their own’ by org being flexible in allowing movement between locations and teams for self-development.</td>
</tr>
<tr>
<td>Crits are formal but less formal than college crits – very direct, no waffle, very straight – no spouting rubbish</td>
</tr>
</tbody>
</table>
AR: I can really see how that ability to transfer would be good are there any other things that might hinder someone's creativity that would stop someone being as creative as they could be?

PO'B: You can't say that a number of people haven't passed through our organisation and you see them in their own practices that have leapt forward again. So you can't say that you are going to.

AR: just finally, are there any other comments you might like to make on creativity and/or organisational structure in relation to your business?

PO'B: You are fighting between trying to keep it loose on the one hand and not keep it too tight to allow it to be creative. You have to run a tight ship as well and make sure that people are doing things within a certain budget and not going wild! That is one thing that you always have to manage. You have to put limits on things.

AR: That's great, thanks a million Paul.

PO'B: No problem at all.
### Appendix D: Interview 2, Mr. Hugh Wallace of DW²

<table>
<thead>
<tr>
<th>Natural Unit</th>
<th>Central Theme</th>
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<tbody>
<tr>
<td><strong>Interviewee:</strong> Hugh Wallace, Managing Director, DW Squared (Previously Douglas Wallace Architects &amp; Designers)</td>
<td></td>
</tr>
<tr>
<td><strong>Location:</strong> No. 1 Grantham St, Dublin 8.</td>
<td></td>
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<tr>
<td><strong>Date:</strong> 26th June 2009</td>
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<td><strong>Duration:</strong> 00:31:27</td>
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**Background / Overseas Strategy / Strategy implementation**

AR: Can you tell me some of the background to the organisation and your role within it and I know that it has changed recently so you might just talk about that?

HW: Where would you like me to start?

AR: Your company is a bit different, in that you have come through a period of growth and then a contraction.


AR: Maybe just give me a synopsis of when the growth started and when you started to realise that maybe it wasn’t working.

HW: The growth started really back in the 90s and it was continuous. I think it was, we had in 2000 or 2001 there was a bit of contraction. But other than that it was like 15 or 20% per annum would have been the growth rate and I think that we also lived in a very silly country in retrospect. Because you didn’t have to do anything to have a growth rate of 20%.
AR: “Do anything” – what do you mean?

HW: Like, going out and getting any business because all your clients were growing at such haste. The work had changed. Peter Marks were opening and instead of opening three shops a year - instead they were opening seven shops a year. There was haphazardness about value and money and we’d all just got on a boat and gone down the river. I made several attempts personally, to engage with other organisations in relation to selling our services abroad and trying to internationalise our services. All of those all started with good intentions but actually led to nowhere. Within our organisation we made attempts at that in London and failed miserably because we never got to the core really of what we were selling, who we were selling it to or how we were actually selling. And nobody really minded or noticed that London kept making losses because as an overall company we were just making money.

AR: OK so it wasn’t being tracked maybe?

HW: Things weren’t tracked properly, the business was growing exponentially, people were lazy, people didn’t get involved in the actual management of the company even though that’s what they were appointed to do. And the company was lax in its treatment of senior executives who didn’t perform. And I’d say that’s one of the fundamental reasons of our failure.

AR: How did your organisation evolve from a national business to an international one?

HW: The company, in fairness, used to put down business plans. We always met them and all of that. I think in relation to London,
which was about internationalisation, we never go the management structure right. So, if you like we failed in really internationalising our business, a percentage of our business. And this comes down to, your business was growing exponentially, but in fact it was a false growth. And that’s what’s happened all the architects, all the design companies, everyone in Ireland they all failed because none of them actually internationalised their businesses correctly. Now there are a few exceptions such as MOLA would be an exception. RKD would be an exception. But they are the exceptions, not the actual rule.

AR: Why was it not done correctly?

HW: Because nobody was focussed. We were all living in ‘cloud cuckoo land’. Turnover was going up 20% and sure, ‘why would you want to be going abroad’?

AR: When did you decide to open up overseas?

HW: In the middle of the 90s.

AR: What were the decisions that led to that?

HW: It is as simple as trying to internationalise our business.

AR: Was it something that just happened?

HW: No, it was a strategic part of the business plan. But then the person who wrote the business plan decided to have an affair with one of the people in the office and forgot to say that and then that person was moving to London so that became part of the strategic plan! How did that go?
AR: I wonder what I will do with that information. I mean, these are the things that happen!

HW: It is what actually happened! Nobody took over London. And you know, hindsight is a great thing and going through the process that has now gone on, I find it fascinating in terms of going from a company of 160 to really having 10 now. And in fact that’s enough for the work that’s there. 50% of our business will now be overseas with 10 people. And one of the main issues and drivers which is quite fascinating, is people love to have their own staff.

AR: Why is that?

HW: Because there is a sense of power. And you have “I have 40 staff and you have 20”!

AR: What should it be about?

HW: It should be about clients’ quality of work. And it doesn’t matter who does the work. What is actually going to happen is that you are going to have a much better design industry because people are going to outsource to the most appropriate people to do a particular job. In fact that will be to the benefit of the client.

AR: You say you had your business plans over the years, how were those plans implemented?

HW: I think they were implemented very well until the last one. And with the last one, I couldn’t get anyone to do anything. The business plan was quite clear – saying about the reduction in staff, outsourcing, doing all the things that we were supposed to do. But

| People love to have own staff – power trip. |
| Quality of the work NB not who does it – will outsource to most appropriate person – client benefit. |
| Last business plan was not implemented – couldn’t get people to do anything. |
| Acquisition became focus, noose. |
then nothing happened. We bought Fergusson Wheeler, and all the Board and the meetings were about Fergusson Wheeler and they became an absolute impediment, a noose around our neck.

AR: Was that part of the strategy?

HW: To have them a noose around our neck?

AR: No, to acquire them?

HW: Absolutely, that was fundamental.

AR: Would you say that ‘part’ of the strategy was implemented and another part not?

HW: No, I think that what actually happened is: the acquisition, fine, was part of the strategy, but the issue is that having had a strategy to do this then the management and the delivery just didn’t take place. I can say that’s my fault, but by the time this had all happened I was ‘midered’! The world had started to end as we know it. The acquisitions we had made, the financial position of the company was in, the overall day to day management of the company, became a smoke screen of KPIs which supposedly told us we were fine but in fact we were fucked.

AR: Did it become all about those things?

HW: Yes, not about you know “you’re an eejit – would you get on with your work”.

AR: If you had business plans over the years, would they have been redefined from time to time?

<table>
<thead>
<tr>
<th>Acquisition pt of strategy but the management and delivery did not take place. World changed. KPIs said co. was fine but financially it was not.</th>
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<tr>
<td>Business plans changed every three years.</td>
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<tr>
<td>Business plan was not implemented – have to question and not make assumptions about what you think is correct.</td>
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</table>
HW: Every three years.

AR: Has that changed or going forward would you do that differently?

HW: I want to take out the business plan that was never implemented, and that’s what I am using for the basis of the business going forward. The business plan was actually correct. Now it was quite interesting because you know when I went on the trip to Dubai, there is that question of not making any assumptions about what you thought ‘cos you know the way you sort of say “well that’s right” therefore you do everything to sort of prove that its correct rather than starting again.

AR: Can you just explain to me what you mean by that again because it’s really interesting?

HW: I think sometimes people do a business plan, but in fact everything evolves. So you take a business plan and that was a moment in time. But people challenge this, so what you actually do then is spend a lot of time, proving or trying to show that the business plan was correct rather than taking on other ideas, which might be quite fundamentally different. So I am comfortable that the principle of the business plan in terms of the way it was talking about partnerships and excellence and knowledge, is absolutely correct. And it’s like the government is now talking about knowledge environments and that’s fundamental. So it’s like “why do 90% of women who go into a shop go to the right hand side”? So, there is no point in making a statement: 90% of women go to the right hand side – you have to say “it’s because they are right-handed”. So people do things in fact for reasons of logic or reasons
that are innate or natural. So it’s to have that understanding. It’s absolutely critical to a client. It doesn’t matter if the client is sitting in China, or India, or wherever....

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<tr>
<th><strong>Strategy / Competitive Advantage / Creativity</strong></th>
<th><strong>Coding</strong></th>
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<tbody>
<tr>
<td>AR: What particular aspects of your strategy do you feel effectively achieved competitive advantage?</td>
<td><strong>Understand our clients &amp; deliver design that reinforces our client’s proposition and delivers profit.</strong></td>
</tr>
<tr>
<td>HW: I think that at the end of the day we really do understand – if somebody writes a paper that says this is the shop, these are the customers and this is what’s going to go on in it, that we can genuinely deliver the design that reinforces our clients’ proposition to his or their clients that delivers profit. That’s what we do.</td>
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<tr>
<td>AR: Did you or do you have strategies around creativity for your organisation and / or your clients?</td>
<td><strong>Yes, strategy based on understanding to deliver creativity.</strong></td>
</tr>
<tr>
<td>HW: Yes. I think in going to Peter Mark and creating the Style Club and that was a strategy about understanding. Unfortunately our client didn’t, in my view, while Mark understood the strategy the Managing Director of Peter Mark didn’t.</td>
<td></td>
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<tr>
<td>AR: But did Douglas Wallace have strategies around creativity for the organisation and for the client, or just for the organisation or just for the client?</td>
<td></td>
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<tr>
<td>HW: Both. And I think it’s no different than The g Hotel or The Cliff House Hotel or Dunnes who we are doing work for at the moment. The way we got the Dunnes work was we talked about strawberries and bread.</td>
<td><strong>Creativity nurtured by</strong></td>
</tr>
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</table>
AR: Was there a strategy to make Douglas Wallace a creative organisation.

HW: It's always been creative.

AR: How is that maintained or how is that nurtured?

HW: It's nurtured by the fact that in the past I would know what was going on. I'd lost that bit. However thankfully the design still kept going. Going back to where I am today, nothing would go out of this office without me looking at it and then I just want sex - I want it driven by sex, by creativity. All that - that's what I do.

Organisation structure / internationalisation  Coding

AR: How did your organisation structure have to change to cope with the internationalisation of the company?

HW: Well it didn't.

AR: What was it then that didn’t change?

HW: People didn’t move. Up until October of last year, even in October, if I had said to anyone in here go to Prague they would have gone 'no'. Because we all lived in this world where you know, "why would I move job"?. The whole environment was different. So no one would move. We never got the structure right.

AR: Has this (structure) been revisited / changed since implementation........?

HW: We tried all the time and nothing happened.
AR: What was the resistance?

HW: People didn’t want change.....while I was CEO of the company, Robbie Coan became COO of the company but in fact we just took an easy route. Supposedly we were making money. It had all got huge. We had gone to a turnover of 20m, which is huge.

AR: When you are running an international business, from a structural point of view then, you say that people didn’t move. What do you think are the key challenges for the CEO of a company with offices internationally? Let’s say you had offices in Belfast Prague, London and Galway for a period, so what are the challenges from a structural point of view of running that?

HW: Is management and how management co-ordinates, how you get an ethos across the offices. All those challenges. I’d have to say we never got there. I think that this time around we will, because our relationships with people will be different. Our relationship with say Stuart in Prague will be different.

AR: In what sense?

HW: Because we will offer Stuart the opportunity to be part of an organisation which will deliver creativity to ....which he doesn’t have in a partnering relationship.

AR: How can your organisation deliver creativity to him?

HW: Because we will have that in the base here. So there will be a pool of either people working in the office or more than likely a number of consultants who we will have available to ourselves – on agreed terms, how it all works, everything else....who are available

| Resistance to change – company got huge T/O of 20m. |
| Issues are how management co-ordinates – how you get the ethos across all the offices. |
| We can deliver creativity to our partners overseas through outsourcing consultants. |
| Wrong |
to Stuart to pitch for business.

AR: What are the effects on performance then when the structure is or isn’t working like that internationally?

HW: You end up with pissed off clients, frustration, negativity. If you don’t have the organisation right, hindsight is great, you shouldn’t have started. So I shouldn’t have started. Hindsight is a great thing. There should only have been 45 people in Douglas Wallace and you could have done work around the world.

AR: Does the structure affect performance?

HW: Yes I think it does as it gets bigger.

AR: In what way?

HW: Because of the nature of our business - it is about creativity. Creative people are very bad at coming together to form large organisations for mutual benefit. I have no idea what it is. I think it is because of the way we are taught in college. You have five years of being by yourself and you have to sit there every time you have five projects each year. So over the period of five years you have 25 projects you have to come up with 25 unique experiences which can’t be the same as the other 25. There can only be one project that is sitting in a room so you go around guarding your thoughts and ideas to yourself and you don’t discuss things in an open manner because you are afraid someone else will nick the idea.

AR: Contrast that then to a commercial organisation – what is the difference between that and when you work in a practice?
HW: That’s the problem, it continues. There is jealousy within the office.

AR: What should it be like?

HW: It should be one of open discussion, creativity best practice, so that it’s all about mutual benefit. We have exceptions to that. So you have exceptionally talented people. You have Rodgers, they are names. But if you are talking about creativity and organisation, it’s much more challenging to deliver excellence in an organisation.

<table>
<thead>
<tr>
<th>Company Structure / Dimensions</th>
<th>Coding</th>
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<tbody>
<tr>
<td>AR: How was the company structured and how is it structured now, was it departments, divisions...?</td>
<td>Divisions were functional and should have been by sector / divisional.</td>
</tr>
<tr>
<td>HW: It was divisions. It was architecture, design and project management and it should have been by sector.</td>
<td>Structure evolved naturally and wasn’t considered.</td>
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<tr>
<td>AR: Were they formal divisions?</td>
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<tr>
<td>HW: It's because of the way the company had evolved. It was what happened naturally rather than somebody sitting down and thinking about it.</td>
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<tr>
<td>AR: What would it be like now?</td>
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<tr>
<td>HW: Well there are only ten of us and we are all in one room and there aren’t any divisions.</td>
<td></td>
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<tr>
<td>AR: Which do you think is better if you were to contrast them?</td>
<td>Divisions now</td>
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</table>
HW: It has to be by sector not by architecture, design or project management.

AR: By sector do you mean by specialism?

HW: Yes. So you would have hotels, spas whatever.

AR: How many levels were there in your organisation before you know from CEO down? Were there too many or too few?

HW: Way too many.

AR: In your estimation how many might there have been let’s say from a Junior Designer right up?

HW: Six or seven. It’s just daft!

AR: And what do you think an ideal one would be?

HW: Probably three. There should be one or two senior people, that’s it; then you have people responsible for a sector - designers and senior people; then you have junior staff and that’s it.

AR: How centralised was the operation when you had all the offices?

HW: It was totally centralised but that was wrong.

AR: Can you say when it was centralised exactly what you mean by that?
HW: In relation to finance functions, in relation to marketing, IT, HR were all central and they shouldn’t have been they should have been by location.

AR: Why do you say they shouldn’t have been?

HW: Because again what happened was a loss in one was covered up by the other financially, IT HR everything. Financially, HR IT incompetency.....whereas each office should have stood up and been a profit base on their own.

AR: And those functions then?

HW: Should have been local.

AR: Did you have self managed teams or do you have self managed teams now? How much authority is there at the lower levels to make decisions?

HW: There wasn’t any. There should have been. In the process of growth it all became structured and somebody reported to somebody.

AR: What was the effect of that?

HW: Rigidity. People felt disconnected, disempowered all of that.

AR: Are there any informal structures or were there?

HW: The best bit was when we were all informal. That is what we are going back to now. So it’s an informal structure.
AR: You said there that there were all these levels so you had a very formal structure....

HW: Yes....

AR: At the time that you had a very formal structure, was there also informal structures? Did you have knowledge communities or anything like that?

HW: We had all of that but all of that failed. We tried knowledge communities but the reality of the situation is that we had all jumped on a merry-go-round and nobody had time for anything. The great thing about where we now are, I know that the economic environment is very difficult, but the interesting thing is that it has had an impact on our relationship with our clients and how we work, so having time to get involved, to understand things like knowledge communities or opportunities. So for the first time now I can say that we are going to end up working with other architects in the overseas market. It’s sort of five years too late, it’s not from me trying to do it.

AR: Do you think that’s due to something that happened informally?

HW: It is informal. It’s like Enterprise Ireland going to Dubai and setting up the association of seven architects — that’s all fallen away. That was inevitable because architects just can’t get on.

AR: What is more important to an organisation do you think? A formal structure or an informal structure?

HW: It depends on the organisation: its horses for courses and that
has to do with the history and the ethos and the background to an individual company. Scott's is a rigid organisation and it suits and everyone knows how that works. HKR is probably like an oligarchy which is probably the way I was as well. So it's 'horses for courses' because again architecture comes from individuals.

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<tr>
<th>Work environment / Creativity</th>
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<tbody>
<tr>
<td>AR: Does the work environment, and I don't mean the building necessarily, affect creativity in your opinion?</td>
<td>Org. needs to be liberal in its attitude and demanding.</td>
</tr>
<tr>
<td>HW: It does if you don't have an organisation that is liberal in its attitude that is demanding.</td>
<td>Work environment should demand people to think, be questioning, to get an open environment for creativity.</td>
</tr>
<tr>
<td>AR: Demands people in what way?</td>
<td>Structure can affect creativity in a good and bad way.</td>
</tr>
<tr>
<td>HW: Demands people to think. Demanding in questioning and that you can do that in an open environment then I think it effects creativity.</td>
<td>Office doing repetitive work - requires more</td>
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architecture you do, where you are a commercial office doing repetitive work it is probably better to be a bit more structured. Whereas an office that is based about innovation and creativity, I think the structure needs to be looser because it is in that environment that you get the best out of creativity or you get the best out production.

AR: Can I just ask you one thing about what you mentioned up above. When you go to your clients and you talk about what you deliver and you listen to what they want, and you deliver what is going to work for them based on your knowledge, I just want to talk a little about cost and value and innovation, there. Can you offer all of those things or some of those things?

HW: Say that again.

AR: Like, do you go in and look at the cost or do you go in and say right we are going to offer you something that is of more value not specifically based on cost or that’s what you want have you thought about something else....something completely innovative that the client wouldn’t necessarily have thought about?

HW: I think again that comes to the type of client. You will find that the clients who employ us are looking for a higher level of creativity in specific areas. You become an expert in a field. I don’t think you can be an expert in every field because that market is so much more complex and difficult.

AR: Some of those fields, might they relate to cost?

HW: Yes. You will have some architectural or design houses that are just purely cost driven. In other words the client goes to them because they do a good job at a cheap cost.
AR: Is there something they are not getting then?

HW: Yes.

AR: Can they get it all?

HW: You can get it all but it will cost more. And that has to do with you can go to the architect and he takes the drawing that he did last year and he puts a new date on it and you get your planning permission. Or you can go and start with a clean sheet of paper. And if you like there is a balance in all these things. What we do is we start with a clean sheet of paper, as if we’d never had the experience before. So it’s how you get the information that has already been done on a similar projects gets put into the start of a new project would reduce the amount of time spent in naval gazing at the beginning of a project.

AR: Any other comments on creativity and organisational structure?

HW: I think it’s a huge challenge for our industry is how we organise. I think it is much more challenging now than ever before because our competition is Indian its Bangladeshi, its Malay who are as capable and competent as we are, and as creative, and we have to understand that. The problem is that in Ireland we don’t seem to understand that so we spend our time squabbling. It’s like I read the history of Athens. That was quite interesting because what ended up was the Athenians and the Sparticans ended up having a war for like 40 or 50 years between the two of them and then the Persians just walked in because they were all exhausted having been at war for 40 years. That is the way architecture and design is required in all these things – need to capitalise on the knowledge we have when doing creative work reduce time naval gazing.

Challenge for us is how we organise – our competitors are low cost providers who are highly competent. We spend a lot of time squabbling and are exhausted. We need to learn how to work with each other in order to win the big international projects – work together for
at the moment.

AR: If you got it right do you think it would help a firm of architects, you say it’s a huge challenge?

HW: This comes back to there is a huge opportunity for the creative industry in Ireland to act as a group to pitch for huge projects where you need a staff of 2000. There will never be an architectural practice in Ireland or Irish with 2000 that’s multidiscipline because we’ve all decided we are the Athenian and the Sparticans and we just all want to squabble and fight with one another. There is that essential of working together and not being jealous and not holding our arm over our shoulder so somebody can’t see what I am doing or who I am talking to.

AR: Thank you Hugh.
AR: Can you tell me some of the background to the organisation and your role within it, maybe your journey within Murray O’Laoire to date?

CO’C: 22 years ago, I came here in ’88. Murray O’Laoire was a small firm. It had one office at the time in Limerick. It had about 20 staff, maybe less. But I came because they had just taken the decision to open in Dublin, so I was the first employee into Dublin.

AR: Really?

CO’C: Yes. Sean O’Laoire moved to Dublin from Limerick. They divided themselves. Hugh stayed in Limerick and Sean came to Dublin.

AR: Is Dublin the Head Office or is Limerick the Head Office?

CO’C: No...that’s a tricky one. We like to let Limerick believe they are the Head Office.

AR: OK so that’s the real capital!
CO’C: The company is registered in Limerick, yes. That is the registered address, so Limerick is the Head Office. Clearly, now Dublin is much bigger.

AR: How big is the organisation?

CO’C: It’s hard to tell these days the way numbers are going.

AR Yes

CO’C: We currently have around 180 staff.

AR: Spread over how many offices?

CO’C: Over 6 offices in 4 countries.

AR: Where are they?

CO’C: The great bulk is here in Ireland. There are about 80 in Dublin. There are about 45 in Limerick and 25 in Cork. There are 3 at the moment in Bratislava and about 22 in Moscow and about 6 in Aachen, Germany.

AR: How did your organisation evolve from a national business to an international one?

CO’C: Pure opportunism....

AR: Really?

CO’C: Yes. No strategy. After Limerick and Dublin, opened in ‘88, the next office was Moscow in ’92 and that was a pure flyer.

Evolution to an international business was pure opportunism. Dublin opened in 88 & Moscow in ’92.
AR: Based on?

CO'C: Communism had just collapsed, Russia was now open. Aeroflot flights were all now landing in Shannon to refuel. A group of Limerick business men decided to give Moscow a go. They invited Hugh Murray along to advise them on property acquisition. When he was out there he just picked up a big job - a bank head quarters. It could be whatever he wanted it to be. There was no regulatory system: you just built. It was all wild east frontier-type stuff. So we just gave it a lash and that turned out to be profitable, very profitable, so we thought we’d give Moscow a go. It was just a flier.

AR: And the other offices then overseas?

CO'C: The next conscious move was Warsaw. We had an office in Warsaw in ’99 to 2002.

AR: Was there a strategy behind that?

CO'C: Yes, we decided consciously to move into Poland. It was the most important of the new accession country markets. It wasn’t an accession country but we knew that by then it would be. It was the wrong time to go in. We gave it about three years and then closed it. There was no work in Warsaw. It went through quite a bad recession in those years and so we couldn’t have picked a worse time to try and start up a business there. In the meantime, Ireland took off.

Opening in Bratislava c. 2005 was following a client, Ballymore.
had an office in Bratislava for around four years now. Ballymore are gone but the office is still there. In the meantime then we opened in Aachen, Germany as well. Our healthcare business is based in Limerick. That’s where our core healthcare team is based. There were two German members of that team and they were really excellent who wanted to go home. They said we really love working for you but we do have to go home. Can we open an office for you in Aachen and we will break into healthcare in Germany? So we did that, we funded them for a start up office in Aachen and they have been doing various bits and pieces in Germany but in fact the bulk of their time now is serving Irish healthcare work in Limerick.

AR: From Aachen?

CO'C: From Aachen.

AR: It’s a specialisation office?

CO'C: Yes.

AR: That’s very good. So, there wasn’t a strategy at the start and then more and more strategic planning came into place?

CO'C: It became more conscious. Moscow was just a flier. Poland was conscious, Bratislava was at the request of a client and then Aachen was just to keep some good staff around. There wasn’t some kind of overall strategy to take over the world or anything like that; it was a bit more casual than that. I became our International Director over all these years. I certainly have always had ambitions to go further afield. But actually what got in the way was the boom in Ireland. We were just swamped. There was so
much work here nobody had any interest in getting on a plane to some distant land, deal with some difficult contract terms and conditions.

AR: In another language! Do you think about strategy implementation?

CO'C: Oh everything has changed now. The recession has forced us to look abroad. Now we have a very conscious strategy to expand into other markets.

AR: And how do you see that strategy being implemented then? Do you have a business plan for 2, 3 or 5 years for example?

CO'C: We start with a vision. We have a vision plan for the nest five years, up to 2014. And the vision states where we would like to be in 2014. Then we work our way back from that – how are we going to get from here to that end point? From that we define a direction. We define which markets are our priority targets; what sectors within the firm are our priority sectors; and how we match the two together.

And then we look at people that we have and how do you match those to the sectoral opportunities or the locational opportunities. Now have defined six key sectors; five priority markets. For each sector and for each market we have a Director in charge and an Associate in Charge. That's the core structure for driving this forward.

AR: Has that strategy been redeveloped or redefined over the years?
CO’C: The strategy has only come together in the last year. So there wasn’t any strategy before this. The only strategy was how do we cope with them boom, how do we employ enough staff?

AR: That was difficult too!

CO’C: Everything has changed in the last year so now we have for the first time ever a thought out developed strategy that everybody is committed to.

AR: And how did you get that commitment?

CO’C: I think the timing was right. If I had tried this even a year ago, I wouldn’t have gotten a hearing. Everyone was just too busy. So obviously it’s easy to get a hearing now. And the Directors and the Associates know that our future is not in Ireland. It just isn’t. There will still be work in Ireland of course but we would be lucky to sustain half our size if we just relied upon the Irish market, maybe a little less. We want to keep our size and our capabilities and our people together. So we know we have to go abroad. So that makes it very easy to sell that strategy.

But my main interest was not in going abroad because we had to, but rather because we wanted to. So I think we have achieved that. I think we are going abroad because we really want to, we believe that it will give us access to exciting projects the scale of which we would never get in Ireland. It will enrich us professionally and financially as well we hope. And it will not only allow us to maintain the size we are, and the skills and capabilities we have accumulated, but to grow them further.

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<tr>
<th>Strategy / Competitive Advantage / Creativity</th>
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<tr>
<td>enough staff.</td>
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<tr>
<td>Easier to get buy into strategy now due to recession and need to go abroad. My main interest in going abroad because we want to not because we have to. Want to go abroad to get access to exciting work, larger scale then in Irl., enrich us professionally and financially and grow the skills and capabilities we have accumulated in the boom.</td>
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</table>
AR: What particular aspects of your strategy now do you feel effectively achieve competitive advantage for Murray O'Laoire?

CO'C: You ask the question as though everything is done and dusted....

AR:....If I think about it, I suppose sometimes people look at cost or value or innovative projects or do you think about what it is that you offer in any specific way that differentiates you?

CO'C: Right. Now that we have decided to make ourselves into an international company, not an Irish company doing some work abroad, a genuinely international firm that happens to be based in Ireland. It's a different mindset.

AR: It could be based anywhere, it could be based in London for example...

CO'C: The fact that we are based here actually gives us some advantages out in the world to play up. For us the primary focus is to be international. So, it's a change in mindset first and foremost. It actually requires us to change almost everything in the company. What I have said to the staff is that everybody's job here is going to change to a greater or lesser degree except maybe the cleaners; it's going to go that far down the company.

There are a whole lot of things we have to do now that we didn't do before or didn't need to do before, like what is our value proposition? What's our brand? Are we competitive? We never had to ask these questions in the Irish market. The work just came in the door. The fees were almost whatever you wanted them to be. You didn't have to be particularly efficient and you could still get away

Now that we want to make ourselves an international company that happens to be based in Irl. that is a different mindset in terms of how we talk about competitive advantage.

Being Irish has some advantages but to become international almost everything has to change incl. everyone's job.

Need to ask about our value proposition, our brand, are we competitive. In Irl. the work just came in the
with it. You didn’t have to define a brand because certainly everyone knew Murray O’Laoire. Everyone in Ireland does know Murray O’Laoire. They know what we are good at and they know why they come to us. We never had to explain ourselves here which is why we didn’t have brochures until six months ago. We didn’t need them. So now we have to do all of that from scratch for a completely new market.

AR: Because when you set foot off a plane somewhere else you have to explain what you offer.

CO’C: You go from being the big fish in the small pond, to being a tiny fish out there in an ocean. So now we really have to explain ourselves. So, we have a complete new branding exercise going on. It’s going on for about 3 to 4 months now. It’s all about who we are, what our values are. What we believe in, what does architecture mean for us. What do we want it to deliver for our clients? What’s our view on architecture and society? All those questions we are asking ourselves at the moment and we are coming up with some answers. So there’s a new brand identity crystallising now that we think will work for us abroad. On foot of that now we have a whole suite of brochures.

AR: I saw them on the way in, they are lovely. They are sector based.

CO’C: Yes. That’s a big challenge for us. One of the key ways to go out into the world is to market a specialisation and so many firms do that, especially the American firms. So we are doing that because it’s the obvious, and in a way the easy, way into the world. We are clear, we are healthcare specialists, here is all the work we have done, here is our healthcare brochure, here is our healthcare
message. You can do that in healthcare and you can do it with education, design and interiors, also within hospitality, all of those sectors we have defined as core to us. But actually we see ourselves as being more than all of that. We don't want to be specialists in any one area. We want to be general designers, good at everything. We always have been in Ireland. Indeed, the Irish economy is too small to specialise, so in Ireland you have to be very flexible and we are proud of the fact that we can take on anything. We are doing a concept design there for a prison at the moment. It's the first we have ever done and in actual fact I think that it will be a very innovative design.

AR: Does everybody want to be working on that?

CO'C: It's a very innovative design worked out entirely with landscape architects, and that's what we enjoy.

AR: That innovative design, is that a client coming to you and asking for one thing and you saying have you thought about it another way or is cost a factor or how does cost play into all of that?

CO'C: It is a landscape that is a prison, so we really enjoy being good at everything, we deliver; we can be good at everything. Architects in fact are trained as problem solvers and there is a huge danger in becoming over specialised in that you close down innovation and you close down the cross fertilization between sectors. You become good at one thing and you are only as good as your last job and in fact you just keep repeating your last job. There is so much danger in specialisation and yet it is a necessary marketing technique when you go abroad. So the trick for Murray O'Laoire is to try to manage both: to sell ourselves as specialists,
but at the same time make it clear that we are good at everything. This happened to us just recently. We met a very prominent international investment company in Prague. We went to sell them two things: healthcare and residential. They weren’t terribly interested and we were almost going out the door when they happened to mention they were actually looking for some student housing. And we said ‘we have done loads of student housing’. Now we have them coming over on a tour of all our developments in Ireland in student housing and had we just gone in and said we are just healthcare architects we would have missed that opportunity completely.

AR: You felt there was something happening during the meeting that wasn’t going the right way?

CO'C: We had discussed healthcare and that message wasn’t going right. We had heard that they were interested in residential but they just weren’t interested in the sort of apartments we did. So if we had marketed ourselves as a specialist you close down all sorts of opportunities as well. So if we can pull off that trick: we are great at this stuff, but actually we are great at everything else as well. Now it’s not an easy one to do....

AR: No, it’s not. And you talked there as well about if you just become specialist in one area the risk then of isolating yourself in spreading the information around.

CO'C: One of the reasons that we have managed to survive the recession to date reasonably well (we are down a lot less than many of our competitors) is that we do diversify. We have always diversified. We are equally strong in commercial and public.
AR: How did that diversification come about?

CO'C: Because we have always had that attitude. We will take on anything. Over the years we have built up a huge reputation in public sectoral work and then back at the mid '90s, when the boom was beginning to really build up steam here we realised that we were really not that strong in commercial, so we went after the commercial market and we built up a big workload there as well and now that the commercial market has gone dead we have another sector to support us.

AR: In all of that, do you have strategies around creativity for your organisation or your clients or both or is that something that you think about?

CO'C: Every day.

AR: How does that manifest itself?

CO'C: We try our best to ensure that there is a healthy design debate and dialogue in the office at all times. Every project has to begin with a prestart meeting. Often the client is present at the prestart meeting, not always, but often. And that’s where everybody sits around the table, with not even a line drawn as yet. It’s just a chance to talk about the project. What are the ambitions for the project: the client’s ambitions, our ambitions? What is the ambition say for the public contribution this project can make? What’s its sustainability programme and so on? How innovative is it going to be? What are the challenges and so on? So we agree between us what we would like the end-result to be. We have regular peer reviews. Under our QA system every project must be subject to peer reviews at regular intervals and this is where you must calling meetings with client sometimes, ambitions for the project, under QA every project subject to peer review.

Professionals present at peer reviews eg landscape architect, senior technician

Innovation using new technologies its a creative process resulting in significant change as the project goes on. Friday reviews presenting to staff also.
3/4/5/6 of your peers from right across the company to review the project. That’s a very, very productive process.

AR: Those peer reviews, are they based on another specialist in that area that could come from another office?

CO’C: No not at all. If there is a specialist around yes, but we wouldn’t just want the haul in the specialist. It's whoever is around that has an opinion.

AR: And can that be anybody: does it have to be an architect or an interior designer or can it be an administrator or someone else?

CO’C: It wouldn’t be an administrator I have to say. It would be a professional of some sort. We call in anybody that’s around for a start. Depending on the stage of the project, we also try to ensure that relevant specialist knowledge is there as well. If there is a big landscape component yes we would make sure that a landscape architect is there. Even in the early concept stage with the technical aspects we try and make sure there is a good senior technician there. When we talk about the ‘ambition’ for the project, part of it is what we are going to build it with. How innovative, are we going to use new technologies, all that sort of stuff. So that’s quite a creative process. It usually results in significant change as the project goes on, which it should. We have Friday reviews as well when projects must be presented to all the staff.

AR: And does that happen?

CO’C: Oh yes. There is one on Thursday now if you were here beginning at 12 o’clock we will all gather down the back and present the last three competitions we did and we will talk about

Intranet,
Colloquium
every two years
all staff in one place.

Great for renewal and invigoration.
why we did them.

AR: And do you feel there is a benefit to that outside the project? Is there a benefit to the staff?

CO'C: Oh yes. One of the key objectives of the Friday review is to train our staff to present projects. Some are naturally good at it and some are painfully shy at it. But it’s a key skill for any senior leader in this firm is to explain your ideas and convince and persuade your own staff.

AR: It’s a good place to start!

CO'C: All of that helps. We have other support structures behind: like an intranet and other sharing of what is going on between the offices. Every two years we have a colloquium where we bring ever member of staff from all the office together in one place.

AR: I have seen press around that actually.

CO'C: Have you?

AR: Yes I have.

CO'C: One of the cities where our offices are based will host it and they are fantastic sessions, great sessions for renewal and invigoration. Everyone goes away thinking ‘God, I didn’t know we did so much as a firm’ They get to meet all the other people, ‘we are going places’....
AR: That’s fantastic... and how did your organisation’s structure cope with the internationalisation of the company? So, what changes, or how was it designed or what changes really did internationalisation bring to structure?

CO’C: It’s kind of hard to extract the internationalisation aspect of it. The company just grew and grew and grew organically and with no real structure at all. It just grew. You had the two lads, Hugh and Sean, two partners with a limited liability company. I became the third Director after them and then before we knew it we had ten Directors but we still had no structure of any sort. All decisions were made by the ten of us sitting around a table at Board Meeting, all by consensus. And that worked up to a point. But it got to the point that we were just too big, too busy, too widespread for that.

AR: Was it too many, ten?

CO’C: No, it’s not enough in my view.

AR: No, for the decision making?

CO’C: Oh, it was. For consensus it was.

AR: Yes.

CO’C: We were in danger of paralysing ourselves in decision making. So about a year and a half ago we brought in a whole new structure.

AR: OK. And what does that look like?
CO'C: Well we brought in an MD, which is me. We brought in a COO, Chief Operations Officer. We recruited from outside, ex-Accenture in fact. We took him on because of his background in Accenture. So he has been fantastic. We have a Management Board. There are five of the ten Directors on the Management Board. They are now setting policy, making recommendations, making decisions if they are not huge. We take big decisions to the full board.

AR: Those five are they heads of offices or sectors?

CO'C: Yes. We appointed an office leader to each office, a Director of each office.

AR: That constitutes the five then, does it?

CO'C: Yes, well it’s the Financial Director, COO, myself as MD and the three office-leads here in Ireland. Then we have a Design Board for the other Directors and it looks specifically at all the many aspects of design in the firm like the things you have just mentioned. How do we keep that debate going? What’s the quality of our design? Ensuring its consistent, introduction of QA, all of that. And then we have a Business Development Director who is responsible for developing new markets. So that’s the basic structure that we have. In terms of internationalisation, while I didn’t make it explicit at the time, key to introducing this new structure was to allow us to scale up further. We couldn’t grow any further the way we were. I believe we need more Directors. If you pick the right ones and give them the right job it’s a great way to release new energy and new business within the firm and so on. I think we need to do more of that but we couldn’t have done it
without introducing the structure. So now that we have it and it is exactly a year old since all the components kicked off, it has taken us a year to grow into it, to understand how it works, to communicate with each other, now that it does seem to be working well, I think we are placed to grow internationally.

AR: But you said that the other one, if it was too big that decision making was difficult – now that there is five what’s the difference? Let’s say if you were paralysed in decision making with ten, is it a swifter process with five?

CO'C: If it’s a big decision it will be taken to a Board Meeting, but it’s thought out, it’s been prepared, there is a recommendation. Ideally all the full Board need to say is ‘yes that’s fine – go’. That’s it. It has greatly speeded up the process.

AR: So do you envisage that this structure will change?

CO'C: It’s a platform for growth. It allows us now to appoint new Directors, Directors of countries, Directors of sectors, all of that kind of stuff without impeding the decision making process.

AR: Absolutely. What were the key challenges that the company can face in terms of organisational structure aspect in supporting an international business, in your opinion?

CO'C: Right now it’s the mobility and flexibility of people. It’s the hardest challenge we have. We are currently planning to open three new offices in far flung regions: one in the Caribbean, one in Libya and one in UAE. We are also now making the first forays into China and India, and Brazil as well in fact; we’ve made out first trip to Brazil. In our vision for 2014 we will have offices in all of
those locations. So how you support that ever widening structure is a challenge. It all comes down to our people and the quality of our people. We are not quick at least to recruit afresh. We like people who have come from within the organisation who understand what we offer.

AR: When you say flexibility and mobility, can you explain what you mean by that a bit more?

CO'C: For each of these locations where we will open an office we need a Director in charge of that country who has the overall mission of growing that market and ensuring that we provide a good quality service there but they can do that from over here it just involves a lot of travelling. For each of those markets we also need an Associate Director to move and we have found those for each of those location we have found those already but its finding more of them....a lot of our people are not particularly mobile and flexible – they simply don’t want to go.

AR: It’s getting people on a plane!

CO'C: Yes, now you can look at other companies and our COO who has come from Accenture will tell me that in companies like that you are simply told where you are going. It’s a bit like being in the Army.

AR: I think it is kind of like you sign up for that on day one don’t you? The Army, as you say or Bank Manager.

CO'C: Absolutely. But people say I don’t necessarily want to do that.
AR: My family are all in school......

CO'C: All of that. That's all really understandable. I have family as well and I know it's difficult to travel. I've been doing it for 15 years, since my kids were born but we are in times where needs must, as at the moment. Other people understand that and they are very flexible. Some don't and that is a challenge for us. Have we got enough of the right people to go to the right places to expand the vision for us?

AR: Does that effects performance then?

CO'C: Well obviously if you select the wrong people you are sunk straight away. So we would be very particular about who we would send out. Not everybody is suitable. We have done something in the last year that is certainly new for us now and I am guessing for most architects: we have started to talk about 'sales'.

AR: You have mentioned the money word.

CO'C: A dirty word.

AR: Yes.

CO'C: We said 'listen folks we are going to try sales training, how we go out and sell ourselves and we got a predictable reaction. 'We are architects, not salesmen. We provide a bespoke service'. That sort of nonsense, so we have gotten over that.

AR: It's about how we get paid!

CO'C: Yes. So we've provided sales training to 20 of our staff and...
from that we are going to define a core sales team, in other words people who will go out and get the work as opposed to people who do the work. So we have defined a lot of that now. We kind of know who most of our sales team are.

AR: So will you work those into the KPIs now for those people?

COC: Yes.

AR: So a percentage of their time will be allocated to new business.

COC: A large percentage.

AR: So, is that the struggle then that they feel it will be too big a percentage?

COC: Yes. They still want to design and ‘God’, you need the work to design it! Go out and get it first.

AR: It’s a challenge though. For you to be able to manage that process.

COC: So we have our ‘getters’ and we have our ‘doers’. But not all our ‘getters’ are up to it just yet.

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<td>CO'C: Sorry, the other key challenge will be, and this is probably our biggest challenge, is to operate as one firm.</td>
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<td>AR: Yes, explain that.</td>
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CO'C: We haven’t done that very well to date. Each office tends to be its own location its own firm with its own geographical region and it tends not to move outside that. The Limerick office does work in the mid west. The Dublin office actually does the whole country including the mid west which is peculiar. Aachen just serves Limerick. The Bratislava office just serves Slovakia although it is now pushing into the countries around it. Our people are, mentally at least, quite isolated from each other as well. We have intranets. We have get-togethers. All the Directors, all the Associates from where ever come together four times a year. We have all that stuff. On day to day terms people still think in terms of the region they are in and those projects. If we are really going to maximise all of our capabilities and skills we have to operate as one firm. For instance if the Bratislava office were to pick up a hospital project in Hungary it would go logically to the best team who could do it which is not Bratislava, it would be Limerick.

AR: Why is that? Why does that not happen? What are the barriers to that happening?

CO'C: It’s just traditionally the way we have worked. Limerick does healthcare so wherever healthcare is picked up it goes to Limerick. But traditionally the Limerick office simply did work in the Limerick region that’s as far as they looked, unless they were called in. When they were called in they would be more than willing but they did not necessarily think outside the Limerick region. And there is a natural tendency to territoriality, to guarding your workload and especially in these times guarding your staff. We have a lot of work in Moscow we are pushing it back to Dublin. And inevitably somebody will say ‘why are we giving all this work, why don’t we keep it here so we keep our staff’. So, trying to get beyond that and talk about the greater good of the organisation as a Key challenge is to operate as one firm – not done very well to date. Each office seems to operate in isolation for the other in every way. Have intranets and get togethers but people still think in terms of the region they are in and those projects. To maximise skills we have to operate as one firm.

Barrier is the tendancy towards territoriality – guarding your workload / staff. Where you are based shouldn’t
whole is quite a challenge. So people really lose the fact of where they are based doesn’t matter anymore. It’s about getting the work done by the very best people within the organisation, wherever that is and everybody supporting that.

AR: And who makes that decision? A job might come into Moscow and you might say well actually Dublin has the capacity, the capability and the specialisation to be able to do that? How is that decision arrived at?

CO’C: If it is contentious it will be decided by a Director, even me if necessary. But generally it’s not. It’s getting there. A lot of work is being passed around between the offices and usually decided at Associate Director Level.

AR: So that is strong in terms of growth going forward then that those decisions are being made. But you have all these offices and then you have departments within them or you have divisions, how does that look? Let’s say if you have seven offices, how many divisions would there be within them? How does it break down?

CO’C: We really don’t have divisions, we have some sectoral units. Like the healthcare unit.

AR: In Limerick?

CO’C: It’s mostly in Limerick. Some of it is here in Dublin and in Aachen. We have a team here of about four or five people who do healthcare as well.

AR: But, do they see themselves as a unit the people in Limerick with the people in Dublin, with maybe the people in Aachen?

matter its about the best people doing the work. Structure is sectoral units like healthcare. But they are spread over the offices not seen as one stand alone unit. It would be better if that unit was managed by the healthcare Director no matter where he is. Bringing in
CO'C: The way it kind of works at the moment is that Limerick would send a healthcare project to Dublin and then it would become a Dublin project and it would be administered and managed by the Dublin management: the assignment of resources to it on a weekly basis, the management of the cash all of that would be done from Dublin as though it were a Dublin job. For me it would be more productive when all our healthcare work was managed by our healthcare Director it doesn’t matter where he is. Now he happens to be based in Limerick. For me it will be better when he is managing directly the resources in Dublin of the healthcare project in Dublin, if he is managing the whole healthcare crew no matter where they are.

AR: So he could bring in someone from Aachen?

CO'C: Anywhere he wants, just move people around. We are not quite there on that yet. We would do that in each of our sectors. We have six key sectors.

AR: How many levels are there in your organisation, let’s say from you right down to the most junior person, is it very tall or is it very flat?

CO'C: It’s as flat as we can make it. One of the big reservations in bringing this whole structure was that we were making it too vertical. We have gotten over that. There was a lot of angst about ‘were we becoming very corporate’. I think we are over that sort of angst. We are corporate – we have a turnover of over 22m and at one point 270 staff so you are corporate, let’s get real about it and stop apologising for it. Corporate doesn’t mean that you are boring or bad designers.
AR: We don’t want to be ‘accountants’.....

CO’C: We want to be a little studio, with bow ties and that sort of stuff. But they are not incompatible at all and that is another challenge to manage.

AR: So you do you think that you need certain levels in terms of someone looking at career progression as well?

CO’C: Oh, you do. At the moment we have ten Directors whether or not they are on the Board doesn’t matter. There are ten of those. Then we have Associate Directors and there are 17 of those. They are very important; it’s not just a title. They have serious management responsibilities in their projects and in the company as a whole and they really are the engine of change within the firm. Below Directors and Associates there is everyone else almost without distinction. We do categorise our staff into years of experience. Senior Architects and Junior Architects mainly for the purposes of performance evaluation. These are not titles.

AR: So you are an Architect or not. Would they call themselves a Senior Architect on a business card?

CO’C: No, just Architect.

AR: So not that many levels then.

CO’C: It’s as flat as can be. And then we have support staff below that. Technicians, we don’t greatly distinguish between them and Architects.
AR: How centralised is the operation? Are there self-managed teams, is there authority at lower levels, where are the central functions? Is it centralised at all?

CO'C: Do you mean the organisation as a whole?

AR: Yes as a whole. Let's say for example, teams in geographical areas are they self managed? Is the financial aspect of it done out of Limerick? The marketing? How centralised, de-centralised or partially de-centralised is it?

CO'C: We are pretty de-centralised. We are actually trying to become more centralised.

AR: Oh really OK.

CO'C: Yes. We are almost too de-centralised.

AR: In what way?

CO'C: So when we talk about the one-firm concept we actually need to pull the firm together. We are de-centralised almost to the point of being too isolated from each other. Certainly we are going to centralise all the support functions. At the moment every office does its own thing. Sorry, in Ireland it's all run from Limerick. The finance department is in Limerick. But the other foreign offices all do their own thing. I want to get away from that. I want to centralise it all through our Finance Director.

AR: Marketing?

CO'C: We have only had a marketing manager for a year. We have
only had brochures for six months. That’s all run out of here and I am going to keep it that way, very, very centralised, getting the main messages consistent right across the board, consistent across all the offices. We have just introduced HR. We have only had a HR manager for about a year. She is now taking charge of all the offices. Wherever a HR issue arises, she is in charge. So the support functions are being increasingly centralised.

AR: But decision making within teams?

CO'C: That is highly decentralised.

AR: Is that the way you want to keep it?

CO'C: It is. If you pick the right Associate Directors and Project Leaders you can leave them at it.

AR: Ok, so there is a good bit of authority at the lower levels?

CO'C: A lot. A lot. It’s one of the things I am told all the time by our own staff, particularly by staff who are leaving. At Exit Interviews the thing they will always say is were given a lot of responsibility in Murray O’Laoire. It is one of the things that they enjoyed most.

AR: Are there any informal structures in Murray O’Laoire? Such as knowledge communities based on specialisation? You mentioned that you have the Colloquium ever two years that is something by which you bring everyone together in a formal way to do something informal. Is there any way by which somebody in Bratislava could interact with somebody in Limerick or Dublin based on knowledge that they need to gain.

We don’t have enough informal dialogue – no restrictions re who talks to whom but its down to the individuals. Active social scene and we have the intranet.

WE need to be more proactive re the intranet – its good way to
CO'C: Absolutely.

AR: Is that called anything within the company?

CO'C: Then it would be formal wouldn’t it!

AR: Yes, absolutely...OK it’s a delicate kind of question.

CO'C: I think we have. We don’t have nearly enough of it, that informal dialogue. We have a lot of it and it’s good. Anybody can talk to anybody at anytime. There are no restrictions.

AR: And do they or are the isolated?

CO'C: It’s down to the people. It’s always down to the individuals. The person running Bratislava is brilliant. She talks to everybody in the firm all day long. She won’t do anything without checking how we have done it before. She is great at that. Other people wouldn’t ever want to talk to anybody else. It’s just down to the individuals. There is not enough of it going on. We have a very active social scene. We have a budget within each office and sometimes they actually get together and have joint outings and so on. We have the intranet.

AR: Does it work?

CO'C: It works pretty good. I think that the older staff don’t use it so much because they probably say well we know all that stuff anyway. But new staff the first thing they do for the first few days really is go through the intranet. And it is a good way to find people. We need to be much more proactive about it. We need to be find people but we need to be better at shareing knowledge both formally and informally. Try to be as flat and informal as we can – communication is a more important challenge as you don’t need too much structure if you have good communication.
much better at sharing knowledge, both formally and informally. But there is a reasonable amount of it going on.

AR: Which are more important to the organisation formal or the informal ones you mention? Would you rate both of them?

CO'C: Absolutely. A proper balance between both is the only answer I can give. We try our best to be as flat as we can and as informal as we can. I think we bring in just enough formality to keep us moving forward and pointed in the right direction. I will say that communication is a far more important challenge than formal structures.

AR: To keep a flow of information going.

CO'C: We don't need too much structure if we have good communication.

AR: You have to communicate across a lot of offices, all at the same time without Dublin hearing something first! How do you communicate across all the offices?

CO'C: After a Board meeting we try to synchronise everything you have to.

AR: Yes. How? By the local Director standing up?

CO'C: Well, we are all at the same meeting at the same time. The rumour mail can start....

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AR: Absolutely. Does the work environment, and I don’t mean the physical work environment, affect creativity in your opinion?

CO'C: Crucially. Absolutely critical.

AR: Can you just tell me how you think it does?

CO'C: Each of our offices has a different flavour which comes from the office lead inevitably and some better than others frankly. I am not going to name any names of course.

AR: No, of course. I don’t want any names, but how?

CO'C: How you create the right atmosphere conducive to good design is down to the personalities running the office.

AR: Are there things that inhibit it or things that enhance it?

CO'C: Well I think the peer reviews and the Friday reviews are crucial, the colloquium. All the things you mentioned are crucial to create a design debate but it will always be flavoured by the people who are in the office. Particularly in the smaller and more outlying offices. Do you have to have the right people there to keep that atmosphere going all day every day? Sometimes not and we will send people to another office – sometimes even our more junior people, particularly to our foreign offices. We will send someone from Ireland to inject a bit of the Irish work culture into the local offices. For instance we have sent people from here to our Moscow office who will bring something of the way we work here. The Russians work in a very different way, highly structured, a command structure – it’s not the way we work. But if you send out some of the right people from here they shake it up a little bit and...
CO'C: What does that mean?

AR: Are there any ways by which the company is structured that people might feel they can be more creative or that their creativity is being inhibited in some way?

CO'C: What does that mean?

AR: Any finally so you have any other comments on creativity and organisational structure at all, maybe something that's in your head that I haven't asked?

CO'C: It’s the most difficult, mercurial thing to manage – I'll say that. It’s so intangible you know creativity and design and then you are trying to apply management structures to it. We have all sorts of people here and some of them are downright mavericks. I know in other firms they would be put in their place. We try to give them their head, at the same time you have got to try to manage them or

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the whole project could go off the rails. It would help if we knew how to do it better. I try to read books on creative practice and how to make them work and by that measure I think we are probably doing OK. One of our key benchmarks is how our staff feel about us, particularly now at this very difficult time. We have lost 40 staff. And one of the things I am most heartened about is, even as they went out the door they were complimentary about the firm, their place in the firm, the responsibility they got, even the way we made them redundant in some cases. And many of them say they will come back if they have an opportunity. So I take that as a compliment, as a sign we are doing something right.

AR: That’s really good. Thank you very much.

CO’C: You are welcome.
Appendix F: Interview 4, Mr. John O’Mahony of O’Mahony Pike

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<th>Natural Unit</th>
<th>Central Theme</th>
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<tr>
<td><strong>Interviewee:</strong> John O’Mahony, Managing Director, O’Mahony Pike Architects</td>
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<td><strong>Location:</strong> Mount St. Annes, Milltown, Dublin 14.</td>
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**Background / Overseas Strategy / Strategy implementation**

AR: Can you tell me some of the background to the organisation and your role within it?

JO’M: Well O’Mahony Pike has really been around since 1964 in that it was Delaney McVeigh & Pike as a practice and Delaney McVeigh & Pike ran until around ‘91/’92 – the last crash in Britain. It’s funny, we had an office in London at the time and that’s probably what precipitated the end of Delaney McVeigh & Pike.

AR: The crash in London?

JO’M: The crash in London – the last big crash because we had been getting an awful lot of our work from England at the time. Just to synopsise, and then I’ll go back and give you a history: in 1992 it was a practice of which I was not a Partner. I had stayed away from it, steered away from being a Partner in the firm.

AR: But you were in the practice?

JO’M: Oh, I was – I was kind of last man standing to a certain degree. I was offered a Partnership and I didn’t take it because I felt

_Founded in 1964_  
_Problems with the UK office in 92,_
there was too much baggage there. I didn’t like Partnerships as a business model. So in 1992 there were serious problems in that the company was trying to pay back debt so Delaney McVeigh and Pike became O’Mahony Pike and it took on the debts. And James and I took on the running of the projects but also taking on the debt. In the meantime James negotiated with the banks on debt from the English operation and off we went. Then we hit the boom about ‘95/’96.

AR: But when you set up with James did you see that as an Irish company?

JO’M: It was set up as a separate limited company.

AR: Irish-based limited company.

JO’M: Irish-based limited company based in Dublin only.

AR: When did O’Mahony Pike then decide to open up overseas?

JO’M: About four years ago we had a joint venture with a practice called David Gallagher & Associates, around 2003. For about 3 or 4 years we did projects in London with him. That was going very well so we decided to merge in about 2007. We basically put a merger in place. We agreed terms etc and the week before, he backed out. So we were left with no presence in London so we set up our own. We recruited a Director from Broadway Mallion who we had worked with here.

AR: So O’Mahony Pike as it exists now was established in what year?

Negotiated with the banks.

In 1992 crash in the UK and boom hit Ireland in 95/96.

Irish based limited company based in Dublin only in 92.

2003 started to look overseas.

Set up on our own in London following failed merger negotiations.

We could see there was business in London –

AR: So that decision, to recruit somebody from Broadway Mallion when the other guy pulled out, how did you decide that? Was it because there was business there / because you had a plan / were you strategic about it?

JO’M: We didn’t have a plan but we did see that there was business there. There was opportunity there for us. We felt that things were slowing. We had a view from about the middle of ’07 that things were slowing but we also felt that 64 million people on that island was much bigger than 4 million in Ireland. We were convinced that we had to get out of Ireland in the longer term anyway.

AR: Was it a strategic decision would you say?

JO’M: Yes.

AR: Did you have a clearly defined strategy?

JO’M: We would like to think we had you know, but we probably didn’t. The normal strategy is that you take your high value proposition and you go and you flog that. We actually saw London as the opposite. We saw London as an opportunity to do things we couldn’t do in Ireland. And in so far as the things we couldn’t do in Ireland, Irish architecture had become somewhat specialised. Either you did this or you did that. But you certainly did not do a mix of the three. And we were pigeonholed very much into the housing and mixed use development area, mostly private development and very little public sector work. Which was a position we had gone to from the opposite of when we started up when we were 50:50 public to private sector work and we were doing no housing. So it
was the boom and I suppose our strategy was to go after developers to work in the private sector and we had a lot of experience working with hairy-arsed developers. But when we were looking at London we weren’t necessarily looking at that. We were looking at it as an opportunity to do the stuff we hadn’t done.

**AR:** Such as?

**JO’M:** Such as healthcare work. Such as get into some schools work. Such as probably more one off projects. And master planning. That was looking at it as a market that was going to carry on the way it was. It would be subsidised from Ireland – there would always be plenty of funding there to allow us the luxury of doing the things we weren’t doing. Then that dried up of course. Everything dried up over there. We had about four people over there and in the end it dried up.

**AR:** How many people are working for you now?

**JO’M:** When we set up the practice in ’92 we had about 25/27 people. We went to 140. In November ’07 when we laid off our first people we had 140 and we are now down to 61. But of those 61 all salaries have been cut by 30% and probably a third are on part-time.

**AR:** Do you think that is a sustainable level?

**JO’M:** Not the way things are going at the moment. What is worrying me now is that we have been following a path which is turnover. We have just watched turnover and as it drops - resource drops. We have 60 people there that we think are our best people with virtually no weaknesses. So we treated the company like an government.
‘arc’. The idea was that this ‘arc’ would stay afloat in whatever way we had to do it. If that means that everybody goes on part-time, if everybody goes on a two day week, we will try and do it that way. It’s proving very, very difficult to do that. We have a certain level of overhead which is really guiding us on how we get through this. That overhead is staying constant now because we have cut it. There is no work. To say there is some work would be wrong – there is no work; no money in the system, there is no liquidity. The construction industry is seen as poisonous by the Government. There is just no activity.

AR: Where are those 60 based?

JO’M: There are 8 in Cork – we just let three go last week. We have 3 in London – that’s gone up. The rest are here. So there’s about 50 here.

AR: And do you have plans to open up somewhere else.

JO’M: In Bahrain. The set up at the moment is we have two people who are earmarked - they have been going back out, and back out, and back out. We have an office physically. We have a joint venture with a company and we are sharing offices with them. What we are waiting for now is the first project.

AR: Does O’Mahony Pike exist in Bahrain at the moment?

JO’M: Compass exists in Bahrain. Compass is a joint venture between ourselves and Smith Kennedy Architects. It’s a small practice who don’t do anything we do. We don’t do anything they do. We came together because they had a contact out in Bahrain who was encouraging us to come out. I had been out in Bahrain in looking at opening in Bahrain.

Company exists and we have an office. Two people earmarked to go, joint venture called Compass, waiting for a job.

We have a strategy around expanding overseas.

Too many in Dubai, Abu Dhabi too expensive and hit by credit
the ‘70s and also my partner at the time when we set up with OMP, myself and Jim Pike and Orla Fitzgerald – and Orla actually worked out there for two years. So I kind of knew the place. We had the master-planning and the large scale big jobs and they had the small really nice tasty stuff and did schools which we wanted to get into and so on. We set up a joint venture company which is Compass and Compass is what we are marketing out there.

AR: So do you have a strategy around that in terms of expanding overseas?

JO’M: Yes. It’s very interesting. We way we look at it is had this been a normal market what we would have said was find a base in the Middle East and out of that base we would then work ourselves into other markets. So we looked at where we would go. So we went to Dubai and we said no - tons and tons of consultants, big large American and British outfits – even though it was roaring on it was still busy last year. Abu Dhabi was expensive and again just as the crunch hit it started to hit Abu Dhabi so we didn’t go there. We looked at the other ones like Oman – Oman was off the beaten track. Saudi – very difficult to recruit people to go in there but it’s still the biggest market in the region; there is still a huge shortage. So, we looked at Bahrain and Bahrain form a business point of view its poor. It doesn’t have oil. It relies on Shuria Banking for a lot of it wealth. It has a certain amount of oil....

AR: So is there a big financial services area there?

JO’M: There is. It’s very strong on financial services. It’s very small. It’s an island. It’s got a population of about 1.2 million – although then Abu Dhabi has got about 2.4 million. But strategically it is joined to Saudi by a causeway. So Alkmaar which

crunch, Oman too off beaten track, Saudi difficult to get people to go there, but Bahrain is strong in financial services, joined to Saudi by a causeway, building another one to Katar, it is English speaking, relatively liberal and has a strong relationship with Ireland. ESB, RCSi and Mastoc connections

Strategically we could only afford to consider chasing one
is in the eastern province, which is one of the three big development regions, is literally half an hours’ drive away. At the moment they are building a causeway to Qatar. So it’s actually liked directly and will be linked to the two wealthiest countries in the region. The Qatar Royal Family is the same as the Bahrainian royal family and also Bahrain the outlet for all the drugs and the whore masters who come over from Saudi. Literally they come over to drink and get laid. It’s a bit of a dump to be honest. Strategically we look at it – it speaks English, it’s relatively much more liberal than any of the other ones but crucially it has a very strong relationship with Ireland.

AR: How is that?

JO’M: The ESB did their electrical supply system Mastoc set up their farming system. They have a man in charge of their Office of Public Works who is from Dundalk. The royal family know Ireland really well. The RCSI have set up their University out there. So there are very strong Irish links. They felt that Ireland was ignoring them a bit. So we saw that as probably, strategically the best place for us to go. So what was the strategy? We were looking around and other practices – whom you know – seemed to be firing at all targets and we were saying we can’t afford that. We can only afford to hit one target. So we’ve got to be very careful about that target. And so the target we decided on was the one where nobody was really going, where it wasn’t on anybody’s radar and would probably generate enough work for us. The other thing we noticed too was that, and it’s the same throughout the Middle East, you have Atkins and SOM and all the very large private sector practices in Dubai and in Abu Dhabi. But there is a whole middle range where the majority of work is done by local Bahrainis and local Abu Dhabi’s and its shit – very poor quality architecture.

target market – chose the one that nobody was going, not on anyone’s radar, the large scale projects are catered for by the whole mid range where most work is is done locally and architecture is poor.

Problem is implementing the strategy. As we are ‘in Bahrain’ we are asked to consider work in Buenos Aries / Barbados!

But our strategy is to do work in Bahrain. – close to winning one soon.
AR: A huge opportunity then.

JO’M: Yes and so we decided we are not going to go for top stuff we are going to try and target this middle market, which is a middle market that you have in any country.

AR: You have a very clear strategy there though, but now you are at the stage of implementing it. How are you implementing it?

JO’M: The problem now is, in implementing it, we have fellas ringing up say from Brazil saying ‘would you be interested in doing a master plan in Buenos Aries’?

AR: And how is he hearing about you: because you are in Bahrain?

JO’M: Yes, absolutely. And then you have another guy who says well actually I am looking at a project in Barbados.

AR: These are opportunities that are arising because you have this office but they are not based there?

JO’M: Yes. So we have to say hold on a second: our focus is still to get work in Bahrain. So what have we done in Bahrain? We have talked to every developer. We have talked to every local authority that we can lay our hands on. We are just getting our name around. We have pitched for three jobs and one of them we think is getting very close to us getting it which would be the job that we need to solidly put the man out there. We have to get our feet on the ground. Myself, Tom, Joe and Martin have been going out and keeping a presence there continuously.

| AR: A huge opportunity then. | At crunch point. Need a job before we put the person out there – disciplined approach. |
| JO’M: Yes and so we decided we are not going to go for top stuff we are going to try and target this middle market, which is a middle market that you have in any country. | Secured funding. |
| AR: You have a very clear strategy there though, but now you are at the stage of implementing it. How are you implementing it? | Would change our strategy if Bahrain is bust. |
| JO’M: The problem now is, in implementing it, we have fellas ringing up say from Brazil saying ‘would you be interested in doing a master plan in Buenos Aries’? | Have already shifted our strategy by going into a partnership with Farri rather than going it alone which was our first plan. |
| AR: And how is he hearing about you: because you are in Bahrain? | |
| JO’M: Yes, absolutely. And then you have another guy who says well actually I am looking at a project in Barbados. | |
| AR: These are opportunities that are arising because you have this office but they are not based there? | |
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AR: Do you see that strategy being redefined?

JO'M: It can’t go on like that. We are reaching a crunch point when we have to decide when we are putting our two people out there. We have an agreement that we want to sign with our partner. We have a strategy with our partner out there. We have to land a job before we actually put somebody out there. It’s a discipline for us. We hope that is going to happen in the next month. The second thing we have done is we have a Stabilisation Application in with Enterprise Ireland for quite considerable funds. We will allocate half of those to Bahrain and they will keep our people there for a year. So that will guarantee our presence there for a year. We are at the cusp now. We are committed. Our office is physically there.

The real thing that would throw this strategy off course is if there is no work. There is work in Saudi. We need someone on the ground there who can go in and out of Saudi. You have to get ‘Sponsored’ to go in and out of Saudi. It takes three weeks to get a Visa and that will only allow you in for 24 hours. Unless you have a ‘Working Visa’. The only way we can get in for a longer stint is through Enterprise Ireland / the Embassy. We have to find a partner out there but there is no point until we have someone on the ground. We have to get Bahrain in place before we start looking at Saudi. What can blow it off track is if Bahrain is bust that there is no work there and that it’s as bad as here. But as an example of how we have changed our strategy, our first thoughts were wrong. We thought we would apply for COEPP. We applied and were refused in two grounds: one was there was a flood coming in to Bahrain and they decided they were going to close this shop off and the second thing was we didn’t have enough international experience.

AR: So how did you get around that?
JO’M: That’s when we partnered with Farri. Now Farri knows the guy in the COE, it’s like Ireland. So he said we will work together and eventually you will get your COE. But that’s what we should have done first time. So anybody going to a market for the first time and going to set up on their own, even if its dead easy don’t do it that way. Get a partner. Learn the ropes. Learn who hates who, who loves who. Work together. Farri is about 60 and he has a mixed-use practice. Our ideal would be that we would blend together so well that we will just become indistinguishable. Alternatively we will work together, we will get our COEPP, we will branch out from Farri as he is a mixed use practice and we can give him things other than architecture and we will stick with the architecture. It’s adaptable.

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<th><strong>Strategy / Competitive Advantage / Creativity</strong></th>
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<td>AR: In terms of that strategy how do you feel that you achieve competitive advantage?</td>
<td>Not saying ‘we are good at this/that’.</td>
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<td>JO’M: This was interesting from the ‘Leadership for Growth’ Programme....</td>
<td>More strategic answer to competitive advantage following the leadership for growth programme.</td>
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<td>AR: It is a killer question, sorry!</td>
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<td>JO’M: It is a killer question because you would answer the thing by saying ‘we are very good at this, this and this’. And they would say ‘no, no but where is your competitive advantage’? In other words ‘where is your iPod’?</td>
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<td>AR: What do you think it is for O’Mahony Pike?</td>
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<td>JO’M: What we noticed out in the Middle East was, this will</td>
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change because of the roar of the business and the huge amounts of work that had to be done, they were constantly firing their architects. So you would get an architect that would come in and do concept, but he couldn’t do the working drawing programme and delivery especially on the big projects. I remember speaking to three different development companies in Dubai and they were saying we are onto our third architect and the project isn’t even on site! And we were saying ‘what’s the problem’? They say the follow through is the problem. Having an architect that will see the project right through from start to finish – what was growing up was this principal that you had a concept design architect and then you hand it on to someone else – it was amazing.

AR: Did they say that was normal?

JO’M: It wasn’t so much normal – it was what happened. Most of the practices were not able to offer a realistic, competitive, user-friendly service, particularly on the private development side. That’s what we do.

AR: Is that how you sell yourselves now, based on that?

JO’M: No, that was just the start of it. If you take a step back, what we were out there selling was taking a project (but not just taking it from where you would say ‘I have a site for 250 houses and I want to put a shopping centre or whatever and I’d like you to do it’) we were saying we would master plan it. You have a green-field site with nothing on it. We can realise its full development potential, but you also want it master-planned and that master-planning involves all the stake holders Those stake holders will be the local authority, the neighbours, the utilities, the various end-users that will come in like schools. We can offer that we can do a complete...
project starting at that level. Then we can go into the design, we can also co-ordinate all the consultants including the bigger architects on the bigger projects. The bits we do we can do right through to completion to working drawings, handover and certification.

That was one side of it and also because of the Tiger years we had developed capabilities in pre-fabrication and fast delivery, those kind of things.

The third thing we had was sustainability. We had this thing called SusCom which was this is a group within the practice that looked at sustainability and all the issues that go with it – the legislation, regulation, delivery, the technology associated with it – in particular in residential and mixed use – and expanding that into a hot climate.

So the idea was to be able to offer all of this – to offer it into the middle market. This is the sort of stuff you normally get offered at the top end.

AR: I just want to talk about that for a minute, in terms of top end. There is this thing where you look at cost and then you look at value and then you look at something where you look at what you are giving is innovative – do you have to offer one at the expense of another or can you offer all of that. Or do you have to say if it’s going to be based on cost then there is only a limited amount of what you can get? If a client comes to you do you say OK that’s what you want but a more innovative approach might be this? Do you have to step back a bit and say OK to be competitive with this client this is going to be our approach?
JO’M: One of the things we learnt from dealing with developers here is that we can do it very competitively.

AR: OK. Is that at the expense of anything else or is that with something?

JO’M: What we kind of discovered because we did very well when times were good on very tight fees we did extremely well. I remember HKR before they did any housing coming to us and asking us what we charged for our housing and them saying ‘you can’t make any money on that’! Yes we can because we know how to do it. We have built up a capability of doing it. In the Middle East market what you have is: you’ve got crap which is the generality and you have a certain element of high-end.

So the question is how do you manage to sell the value of the high end at the cost of the lower end if you are going to get at the middle end. You have to have a client firstly who is interested at upping the game. In this instance the Government are interested in upping the game because they are looking at this vast amount of dreadful housing that has been built and saying ‘Jesus, we can’t do this anymore’.

We are also lucky is that everything that has been built up to now everywhere in the world, is totally out of date. Every piece of property, whether its retail or commercial or residential, is unsustainable. So, everything we design from now on will be starting with a clean palate because everything we design now is going to have to be sustainable.

AR: How do you come about the solutions for that then? Do you look at innovation at all?
JO’M: People talk about innovation – there is nothing new actually. We have always found that, in pre-fabrication for instance, we have always found that the innovative side is when you put other things into the pot, known technologies that are out there and apply them to the construction industry because the construction industry is still a very basic industry.

AR: Is that was innovation is in architecture?

JO’M: It is really. You can have innovation in terms of the technology of the materials.

AR: Your providers are coming to you and saying ‘we have this innovative product’ and you say ‘well everybody has that’ so, what you say that the innovative thing you do is apply it differently with other products is that right?

JO’M: Well yes and innovation for us is every time you get a site because no two solutions are the same in terms of the design. So supposing we get a site nowadays that we have to look at what we are saying to a client is ‘we can get 22 houses with front and back gardens per acre on that site which comply with all the sustainability regulations. We will give you an A3 house and we do it this way. We are innovative in our open space, so the innovation is delivering something that hasn’t been delivered before that has value. So a client might have looked at a site and said ‘I can get 50 apartments, but I can’t sell 50 apartments’. What you can sell is houses - maybe we can get you the maximum number of houses and when you do the figures, and we will do the figures with you, you find that you will make more money out of that.

Innovation is also in the solution offered to the client – delivering something that is different but that has value.

Innovation by bringing finance with us to do projects in the Middle East e.g. student accommodation for the RCSI we brought in Mercury as developers as RCSI ‘not developers’.

Issue is an
AR: And there is a cost consideration as well?

JO'M: Yes absolutely, that is what we have always done. That is another thing we have done out in the Middle East – we brought the finance with us. We found people to finance it.

AR: Do they think you are unusual by doing that?

JO'M: Yes. Architects coming along and talking money! It's ridiculous and yet to a certain degree that was quite innovative. It's a student accommodation for the RCSI – they had shelved it. They said we are medics, we are not developers. We need this, we need it on our campus but we are not going to run it ourselves. So we said what if we found the finance for you? Would you then run with it and the said yes. So off we went and we found financiers: bank and debt. Then Mercury came in and said they will act as developers and away we go!

AR: Does the company though have strategies around creativity for your organisation and / or your clients?

JO'M: Now you see this is where you are hitting on the real issue. One of the issues we have had always, always, always, in this practice, and I would say in most practices you have spoken to, is getting an evenness of quality of creativity and design across the whole practice and particularly when we had six, seven, eight teams. Our problem was always the discipline of having crits. The discipline of sitting people down and meaningfully exchanging ideas, new ideas or whatever.

AR: What would that have done to creativity if there was a lack of discipline around that area? When it happened how good was it in
JO'M: In all practices you have probably I would say have 5% who are gifted, innovative, genuinely creative designers. Even 5% might be an exaggeration. You have a very, very small core, unless you seriously go out of your way to recruit or unless you have a serious reputation for design, unless you decide that you are going to be Grafton Architects or O'Donnell Toomey or probably more specifically a practice like BDP which comes closer than any other practice to having a balance of design and being very creative. So if you take that 5% of genuinely intuitive designers the real thing is to encourage them to set up a system that allows them the opportunity to let that creativity flow down throughout the practice. What you find then is that 5% are so busy that it’s not that they are trying to ‘hide their homework’, they are so put upon that they can’t actually do that.

AR: As a company is there anything that you do about that?

JO'M: We were going to try to have a Creative Director and we just couldn’t get it to work. We couldn’t get the one person we wanted to do it to stand back from the drawing board and to become the Creative Designer for the whole practice. He was so, so involved in his projects the thing that he got out of it was not just the design of it but seeing them built. That was so important to him that he wasn’t in a position to step back. What ended up was he just ran his own team but what I really wanted was for him to run all the design in the practice to be the creative driver of all. His view was that that would talk him away from the delivery of his design which was as important to him as the design itself. However we still had and have a highly creative and intuitive brilliant architect and out of that we spawned another one, brought him in from college who is as good.
He brought in somebody else who is as good and slowly we built up a team so that before long we had two teams that had very high quality design and one team that had very capable competent design, not award winning but very competent, and then another team which effectively did the leg work that didn’t require the design flair but required planning.

AR: You said that you have this one guy and then you brought in another guy and they are in separate teams, was that a strategy?

JO’M: No they all come into the one team and then we split them up. We were much smaller. The high flying team attracted people into it – he was very good a recruitment so you were getting very good people automatically recruited into that team and then those who stayed and we were wedded to (and most of them started from college), they proved themselves to be so confident that they spun off teams. We got three teams that way.

AR: What about the crits then?

JO’M: This was the problem. We tried to have crits and we had crits every Thursday. I lectured in Bolton Street for a number of years in the 80s and it was always the wrong time, it was always too late....

AR: The crits?

JO’M: Yes. The crits always took place after the main conceptual design decisions had been made. You were kind of dipping a corner here or something but the whole concept was well grounded at that stage.
AR: For the most creative projects to come through then the timing of the crit is important?

JO’M: Absolutely. The crit should probably be the week after you get appointed when you are thinking about concept and then a couple of weeks after that when it starts to develop. Then as you go through the project you should also have crits at critical stages to show where the innovation in the development is happening. But most importantly the crits must have a very well defined methodology. They must have one person heading them up, who calls the shots, who allows the debate to take place, who cuts the debate, who defines and makes decisions about what to take out and leave in. I am not talking about control but otherwise they just ramble on – they get nowhere, with no benefit. There was kind of a gentlemanly-ness about them. I went around trying to find out who does it right. So I spoke to Sheppard Robison. Every practice that I met for a number of months around ’06 I asked them how do you do your crits – how do you do your quality design style? They all said what we did – you organise a certain day let’s say a Tuesday for crits and I asked ‘do they happen’? They said ‘well, they do and they don’t’. And I said ‘yes, just like us’. Sheppard Robison were much more ‘tutonic’ about it: ‘the crit is on Tuesday morning. The Partner will see you, you and you and we as Directors will crit it. It is every Tuesday morning. It’s between 9 and 1 o’clock. You must not be late. You must have your stuff prepared. We want a maximum of four drawings on the wall and you have 20 minutes to explain your scheme. And then you will take questions. It was really rigorous.

AR: And they did it?

JO’M: They did it. But the Directors did it. It was driven by the Sheppard Robison more ‘tutonic’ about crits – selling design and their work is very innovative. Regarding creativity for our clients they wanted value. Regarding innovation we were not happy with the designs we were doing for them. We brought them away to show them what could be done – changed minds and markets as a result – to contemporary.
AR: What was the effect on their work?

Directors and it isn't being driven by the Directors it doesn't design and high density.

AR: Do you have any strategies around creativity when you meet clients? Is it something that comes up or does it come back to what you are offering them?

AR: How did that go down? Was it a place where people liked to work for example? We were in a market that wasn't into the were so right, we are selling design! innovation and we tried to bring it in.

JO' M: Yes. It's a very easy going practice but in that one area, and wasn't into the were so right, we are selling design! innovation and we tried to bring it in.

JO' M: It's very good. It's very innovative. They did the £60k deliver a Carbon Neutral house with Kingspan. It was Gerry MConkey and quality product was the reason they took them on board was, firstly they had a keen like a quality of our Delivered a Bahrain we can bring it in. In we need to innovation and market that.

JO' M: I'll say a few things here. Because we got so wedded to the

AR: What was the effect on their work?

AR: Where so tight, we are selling design! work for example?

AR: How did that go down? Was it a place where people liked to happen?
been selling shit’. We said ‘we told you you’ve been selling crap’. Literally overnight the big ones.....we brought Hook & McDonald, HOK, Sherry’s. We brought the big guys. We brought a number of our clients as well. We just went over for a weekend. It was a public exhibition, everybody could walk around and see them and they were just blown away by it. What we were trying to do was change minds there and maybe change markets. Before that we brought the whole office to Amsterdam and that’s when we said ‘we are not having anything to do with Repro anymore – get rid of it, we just don’t want that sort of work’. We wanted contemporary architecture, high density. It was at the time when the local authorities were promoting 6 & 8 to the acre and no facilities and no master planning. We were saying ‘we have got to change this. We have to master plan our new communities. We have got to use the best quality materials, innovative design of housing’. That really was what drove us on.

The Ballymun Regeneration Master Plan was our first master planning episode and then we saw how important that was to the whole exercise. But it also was a commercially viable thing. It got you really early into projects – way ahead of the posse. We were basically in a market that wasn’t into innovation and we tried to bring innovation. Then we started doing pre-fabrication and so on. But you asked a question earlier on about what’s your stand on everything....in the market we are looking at in Bahrain they are not doing anything like what we have been doing. In terms of delivering a quality product, way above what’s there, yes we can. Whether they want it, that’s the next question. Can they pay for it? Can we do it economically? Is the market changing because of the current conditions? I don’t know. I do know that we can deliver high quality housing and mixed use if that’s what they want way above the quality of what they have. Is that world beating quality?

| gentle balance | between arrogance in forcing ideas and leading people. |
| strength of Irish consultancies going abroad as come from a small community is their customer focus – very exportable. |
We think so. I am not being boastful now but we don’t talk ourselves up enough here. The Leadership for Growth thing was really interesting as it was coming through Duke University and whereas we were all handing back saying ‘its an awful big world out there’, the Americans were assessing us all the time and they came back after the last one and said ‘the one thing we have noticed about everyone on this course is that how totally focussed they are on the customer – much more so than any American companies we have worked with. You are totally and utterly focussed on the customer. That’s brilliant but you are also very good at what you do and you are not able to put the two together. You are not marrying the two. Because you are so focussed on the customer you are inclined to step back a bit constantly trying to answer the customers’ problems instead of realising what you have to offer and being much more up front in pushing your client, in challenging your client.

AR: Is that something you would be comfortable about changing?

JO’M: Well it’s that thing about arrogance and certainly our experience working with British architects is they are exceptionally arrogant and they are telling the client what they have to have. We know that won’t work so it’s that gentle balance between arrogance in forcing ideas onto people and leading people, bringing them along. That’s where we are good. I don’t mean OMP, I mean Irish consultancies are much better at this and it’s why Irish people going abroad especially during the boom wanted to work with Irish architects because they weren’t getting that. With the arrogance they were getting the high end design but they weren’t getting it tailored to their needs. It is a huge plus, there is a mindset in Ireland which is very customer oriented. An awful lot of it comes from the fact that we are a very small community so you have got to be very
careful. You can’t be alienating and antagonising people so you have to work with people. I think culturally that works very well for us and we are told that is one of the biggest traits we will bring to Saudi. It is very exportable.

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<tr>
<th>Organisation structure / internationalisation</th>
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AR: When you go to Saudi or you have other operations at the moment, let’s say Cork, Dublin, London, Bahrain...how has your organisation’s structure had to change to cope with the internationalisation of the company? You have a structure; can you tell me what it is? Can you tell me has it changed or do you see it changing with internationalisation.

JO’M: It is a very flat structure – we like to regard ourselves as being one church. It’s not hugely hierarchical. Declan down below in the back room is as important as Liam up in finance. So from a structural point of view, there are seven Directors and Finance Director, of which six are shareholders, now its five equal shareholders. James is out of the shareholding but he is a Director as I will be dropping off the perch etc. So, we have a succession model and it’s been working for the last five/six years. It’s actually been working since we started. James and I were 45%’ers when we started and we are now down to 16%. Team structure: each of the Directors were running a team up until the latest debacle. The way we do it is that two Directors are responsible for each area. So myself and Tom are looking after Bahrain. Conor and Steve are looking after London. Mick and Dave are trying to keep the fort here in Ireland. As things dry up here totally, we are probably all going to be focussing on getting work abroad. Basically each of those Directors is responsible for every element of the set up.
AR: Can that structure cope with the internationalisation do you think?

JO’M: Yes, it can. Tom Sweetman my partner is great, he just gets on a plane and he is great about getting clients. He is very focussed and he gets things done. Steve and Conor, same thing. Mick and Dave are much more wedded to Ireland because they have been doing the bulk of the work here. That is going to slowly, if not more quickly, dry up.

AR: Do you see that structure changing then?

JO’M: It’s all about income really – there is an argument where you could see 7 or 8 of us sitting in here earning about €10k per year which is another way of looking at it and sticking together and coming out the other end. We don’t row; we don’t live in each others’ pockets. I haven’t been to the houses of at least three of the Directors. But we are very solid in the way we make decisions. We have very little rows; we don’t hide anything. It is very transparent. We have a fantastic Finance Director who we brought in 4yrs or 5yrs ago. We wouldn’t be here if it wasn’t for him. He is the one who has been keeping us really focussed. He is like another Managing Director cos he looks after the business side and he is an ex-Director of the Bank of Ireland (Retired) and he was in charge of their credit section so, what he has managed to do is keep our debtors as low as possible – hounding people for money.

AR: So how are your debtor days?

JO’M: Our debtor days are as bad as anybody else’s but the amount of debt is much lower. We were hounding when they had some liquidity so we managed to get in an awful lot of our bad debt.
AR: What were the key challenges did the company face from organisational structure aspect in supporting an international business?

JO’M: The key challenge really is (a) that the Directors will have the energy, the enthusiasm and the ability to get work abroad. What happened from the late ‘90s on is that work just came in the door. You just didn’t have to go and get it. Within the practice there are only a certain number of salesmen – in fact there is a very limited number of salesmen.

AR: Let’s say in London you have four people and in Cork you have 8 or 10 what are the challenges in trying to run that?

JO’M: It works quite easily; Conor who is a Director runs our Cork office. Myself and Liam, the Finance Director are in our 50s. Tom, Dave and Mick in their 40s. Then there is Orla and Conor are in their 30s. Steve in the London office is a Director but not a shareholder is in his 40s. So there is a good strata there. We have a Director in each location and in fact most teams have a Director in charge of them. So, Conor is working in Cork, Conor is brilliant, he is so good it runs itself. Conor’s Cork team is basically doing most of London’s work.

AR: How is that working between London and Cork?

JO’M: The problem is always ‘is the work getting done’; ‘is it being critied properly’; ‘is there an oversight on the whole thing’? But there is because Steve is over and back, and Conor is over and back to London a lot. Ideally, if things really boomed in London, the Cork team would move to London. At the moment because of the energy for the international work. In the 90s work came in the door.

The Cork team is doing London’s work. Problems that arise include: is the work getting done/ critied correctly. Technology makes it easy to share. Getting video conferencing.

Lack of experience of a large scale project to date does not allow comment on downsides.
computers and because we have one Server for all the offices so, our Server in Bahrain is tied into Dublin; it’s very easy to share. We are now setting up video-conferencing this week. Are there downsides? Yes there are downsides which we haven’t experienced yet because we haven’t got into really big outputs.

AR: What do you think they might be?

JO’M: I think it’s going to be that one of quality. I think it’s going to be ‘how can we get the best of our experience through the system’ especially when you are in a totally new environment and where you are learning a new technology of how to build in a hot climate, when you are dealing with a planning system that none of us has used before. We are relying on Farri for that and he has been at it for 40 years.

AR: Do you think it might slip through the cracks?

JO’M: I think we are going to have to tighten up a lot more on what we were talking about earlier on. I think it’s like O’Connor Sutton Cronin have a thing that every second Tuesday all their Directors form every office must meet, so whatever happens you have got to be in Dublin with your projects every second Tuesday. I think that’s where we are going to have to go.

AR: Are there benefits from having people spread out?

JO’M: There are certainly benefits from work actually being able to source markets.

AR: Performance wise?
JO'M: The one big benefit is that when you are this size you are small and people are going to have to perform. You must always put your best people into your foreign markets – not your second best or your third best, but your very best.

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<tr>
<th>Company Structure / Dimensions</th>
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<tr>
<td>AR: How is the company structured – is it divisions or departments or teams?</td>
<td>Mix of discipline teams and geographical teams</td>
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<td>JO'M: We were always a team structure. At our height we would have had a master planning team which is discipline related. We would have had a Cork team. Team also has a turnover connotation. What we discovered was that a team really couldn’t be bigger than ten people with a turnover of about €1m to 1.5m. After that it lost direction, it lost focus, for the staff they felt a lack of identity. We always felt that was really important for the staff that they felt they could be identified with a group. They would always have a Director who knew them, who understood them that they could fight their corner or whatever.</td>
<td>Team can be no bigger than 10 (T/O of €1 / 1.5m) otherwise loses direction, lack of identity.</td>
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<td>AR: Were the teams geographically based or by discipline or by sector? It’s different everywhere.</td>
<td>Master planning team, public sector (healthcare) team, Cork, Sligo, London teams. Other teams were client-based</td>
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<td>JO'M: Yes. If you take sector, because our sector was very focussed, we had a master planning team and we also had David’s team which concentrated on whatever public sector work there was so they did a lot of healthcare. So they were sector based. There was also a Cork team, a Sligo team, a London team. The other teams were based on client in many respects. For instance one team dealt an awful lot with Castlethorn. What we found was, and especially when you were doing so much repeat business, you</td>
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really had to now all the idiosyncrasies of your client. So what we found was that Tom’s team developed a very strong relationship with Castlethorn so they did all Castlethorn’s work. He also did all Liam Carroll’s work because he know what Liam Carroll wanted.

AR: So client focussed teams?

JO’M: Very much, and Mick’s team looked after Parc.

AR: Was that a strength?

JO’M: It is a certainly a strength in delivery because you were able to understand what the client wanted. This was a mad rush time so you couldn’t really afford to train people up. Sorry, you could do it once. You would train somebody in and of course there was a huge shortage of staff so once you had someone trained up you wanted someone, whom you knew, knew how Liam Carroll built – how he detailed and similarly, with Castlethorn and with all our other clients. But then you hit the nail on the head: let’s say Mick is doing a mixed use scheme and Tom is doing high-end inner city apartments and let’s say Mick gets a job which is exactly the same as what Tom is doing, but he is doing it for this client, he stays with it. The discipline and the understanding of how it was done was transferred from Tom’s team to Mick’s team by Tom sitting down and saying this is how we did it.

AR: And that would happen? How would that information go from one to the other?

JO’M: In many respects the clients themselves were requesting this. They were saying we want Tom or Mick and we won’t give you the job unless he is on the job.
AR: Would the teams change a little bit?

JO’M: No. The teams generally stayed pretty static.

AR: How did you transfer the knowledge from one to the other?

JO’M: Mick would sit down with Tom and Tom would look at Mick’s project, would go through it in detail, would talk to someone who is developing it. We thought at the start that there is a kind of management structure that has a pool of resource and it’s got Directors or call them line-managers, and they dip in and out of that pool. This pool is all these people and they might work with all the Directors – we found that didn’t work with our clients. They got comfortable with teams and personalities and slowly over time the teams just solidified. It’s quite inflexible in some respects and where we are going now we need to be more flexible.

AR: Why?

JO’M: Because we are going away from large projects here, maybe abroad, but here we will never return to where we were. The structure was inflexible but the personnel preferred that, being a member of a team. They preferred the security of being a member of a group with very little bad feeling or rows or anything in it.

AR: You see it changing?

JO’M: I see it changing, yes.

AR: To deliver what?

That structure is quite inflexible and we need to be more flexible now.

Staff like the security of being in a team, little bad feeling, rows.

Needs to change as the quantity of work now will not warrant the strong team structure we have. Need to have a pool of talent chosen as the job needs rather than
JO’M: The quantity of work isn’t going to warrant the strong team structure that we have. I also think that the projects will be smaller and more diverse. As that happens you are more likely to find a series of specialist architects or technicians that are in a pool that are plucked out of the pool as the job needs. Because we went through a period where we were refining and refining our product, we were literally becoming a clients’ architect and so the team reflected that.

AR: How many levels are there in your organisation? You said before that you see it as very flat?

JO’M: We introduced a kind of an Associate Level but only at the very end, only as a kind of recognition that there was another strata of experience there.

AR: Do you see OMP as being tall or flat?

JO’M: Flat – very much so.

AR: How many levels?

JO’M: If there were three levels that would be the most. It was very very flat.

AR: Did you want it to be like that?

JO’M: Yes.

AR: Why?

JO’M: It’s a cultural thing. We never wanted to be hierarchical. We being a clients’ architect.

Very flat organisation.

Three levels at most.

Dont want to be hierarchical.

Want an ‘us and us’ practice – very collegiate way of making decisions.

Very much
never saw the practice as being a ‘them and us’. It was an ‘us and
us’. There was always a Director or a Team Leader who would
have the final say but it was a very collegiate way of making
decisions. We were in the 50 best companies to work for about four
years ago, and a lot of the responses we implemented was stuff that
was coming back directly from the staff. What always came back
was their desire for it to be non-hierarchical.

AR: You have teams: would you say they are self managed? Is
there a lot of authority at lower levels?

JO’M: Yes, very much self-starting. People are given an awful lot
of responsibility and are expected to perform. They like that.

AR: How centralised is the operation?

JO’M: It’s very centralised to be honest. Finance wise that is
definitely the way we want it to be until such time as they would
develop a complete separate financial identity. But everything
really was funded from the centre and that was the same when we
had Cork, Sligo and London. It is centralised yes.

AR: Is that good?

JO’M: Yes, from a finance point of view it certainly is. It is only
centralised in terms of the administrative functions. Other than that
it is very autonomous. It is a mix but strongly centralised on the
admin side.

AR: You mentioned SusCom before. And I was wondering if those
people involved in that were naturally interested in sustainability
and I just wrote that down here beside this question: are there any
self-managed
tools, lot of
responsibility.

Very
centralised in
terms of
administrative
functions,
otherwise
 autonomous.

every idea is a
good idea even
if it doesn’t
work.

Delivering new
ideas difficult
due to the client
as primary
focus.
informal structures in the company? If somebody is interested in something and they are in Dublin and someone else is in Cork or London, is there any way that OMP facilitates that in any way?

JO'M: There is one great thing about the practice; every idea is a good idea, even if it doesn’t work. We are very well intentioned; the delivery at times runs out of steam. Again, delivery to the client was always the primary focus and therefore anything else would get started and then get kicked to one side: delivering new ideas and trying to branch out. For instance we wanted to set up a project management side. We had a guy here who was just perfect for it and no matter how hard I encouraged him to take it and do it, with a blank canvas which we would have funded, he would get started on it and then it would run out of steam. No matter how we motivated him it didn’t happen. Interior design: two girls in the office were spot on for it. They did the whole business thing, priced it and did the whole business plan. One of them took a look at it and left and set up her own practice when she saw how profitable the thing could be.

AR: But what if let’s say in healthcare, and there is somebody in Cork and a job comes into London and London wants his knowledge or her knowledge, how does that happen?

JO'M: Healthcare is a good example as in healthcare we had no experience at all so one of our Directors had a brother in law who had a healthcare practice in Canada so we partnered with him and we got a big hospital job and other work which is all gone now – there is no HSE work now. On the sectoral side we pick out an associate as opposed to a Director.

AR: What about the intranet?
JO’M: We have one.

AR: Is it used?

JO’M: Yes.

AR: What kind of stuff do people put on it?

JO’M: Who is leaving next week!

AR: How do you share knowledge?

JO’M: Patchily. Originally the intranet was set up so that we would put all our detailing on it – instead of re-drawing and so on. It is a huge task technically to try and do that. All our sustainability information is there.

AR: Did SusCom come out of something that was happening informally?

JO’M: Yes, it came out of a few people who were very interested in sustainability and we set up a group. Firstly we saw about four or five years ago that the whole sustainability thing was starting to become an issue. So we got onto the Energy Resource Group in UCD and asked them to give a lecture to the whole practice for a day. They said that they would do two sessions with us. We went off to UCD for one session and the Viking Centre for another. Jay Stewart did one session – he was still in the ERG – and Marion did a second session with us and we gave the whole practice an understanding of the fundamentals of it. Out of that we said ‘who is interested’? We got about four or five people. At the height we had 255
ten people in it. They stayed in their separate teams and I Chaired it. And we would have meetings every fortnight. That was the only group that existed like that. There was also a Social Committee naturally.

AR: That’s important.

JO’M: Yes, it is a very vibrant Social Committee.

AR: Which are more important to the organisation the formal or the informal structures do you think?

JO’M: In so far as there are formal structures, I suppose they are important but I think the collegiate common focus is the most important thing. It’s very informal actually – it’s an open structure anyway. Everyone knows everything that happens as it’s an open plan office anyway.

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<th>Work environment / Creativity</th>
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<tr>
<td>AR: On that, does the work environment, and I don’t mean the physical environment, affects creativity in your opinion?</td>
<td>Pressure does not help creativity. We are more creative now in recession than in the boom as we have time to think. The</td>
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<td>JO’M: Oh, absolutely yes. You can see it now at the moment. Pressure does not help creativity. For instance, we are more creative now than we were in the boom because we actually have time to sit and think. Now it’s true we have very little to think about, but there is now doubt that at times the pressure of the boom decreased the creativity. You were going for proven solutions. You were getting stuff out. We were just being driven, driven, driven.</td>
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<td>I am not saying now is pleasant it is not, but there were elements of</td>
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the boom that I would be delighted never to see again such as the huge pressure that it put on delivery.

AR: In terms of organisational structure, do you think that effects creativity, in your opinion?

JO’M: Yes I think if your organisational structure is very dogmatic and if there is a defined style / office style that you must apply then that produces a very negative response in a practice. I think Scott’s for instance is a practice that has suffered from an excess of a house style. That doesn’t mean they don’t produce quality work. I don’t think they have been very innovative. I think they are getting back to it funnily enough for the same reason. They would have been driven on by having to deliver, having to deliver. They lost a bit of their direction. But they do high quality architecture to a high quality kind of formula.

AR: Do you have any other comments in relation to creativity and organisational structure? Maybe something that I haven’t asked you?

JO’M: I think architectural practices are immensely ephemeral. It’s very rare to see a practice lasting longer than 25 years unless it’s a business. Practices that are driven and run specifically for design, innovation and for high-quality top-end design have a very finite life span probably a one generation life span. O’Donnell Toomey will die when O’Donnell and Toomey die. Grafton Architects will die when Yvonne and Shelly die. That’s the nature of it, it is their reason for being, it is everything.

We have three Partners in this practice that would eat, sleep, drink architecture. They are born architects out of 140. But commercial

pressure of delivery in the boom decreased creativity.

If structure is dogmatic, if there is an office style – negative response in practice. Such practices produce quality work that is not innovative. Pressure to deliver leads to a loss of direction.

Architectural practices are immensely short-lived especially those driven for design, innovation and high-end work.

Commercial
practices, that’s not the way it works. It’s a business and that
business recruits the best people it can get and so they survive
much longer. If you can come up with a methodology that ensures
that creative design filters effectively through a practice to ensure
an evenness of quality across the whole practice then you can sell
that because none of us do it right. None of us have got it right yet
that I can think of. I think we all know what to do but we don’t
know how to do it.

AR: Thank you so much John.

JO’M: Any time.
## Appendix G: Thesis Schedule

### Overview Plan

<table>
<thead>
<tr>
<th>Phases</th>
<th>Main Activities</th>
<th>Who Responsible</th>
<th>Time Required</th>
<th>Milestones</th>
<th>DIT Milestones</th>
<th>Week #</th>
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<tr>
<td></td>
<td>Definition</td>
<td>AR</td>
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<td>1: w/c - 2/3/09</td>
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