

LINK BETWEEN LEARNING STRATEGIC MANAGEMENT AND PERFORMANCE OF ESTATE SURVEYING AND VALUATION FIRMS

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ABSTRACT

The role of continuing professional education (CPE) in professional performance enhancement has appeared in literature but the same has not been discussed in real estate valuation. This paper investigates how strategies management skills learned through CPE helps to improve the performance of estate surveyors and valuers (ESVs) in some selected estate surveying and valuation firms (ESFs) in South-West Nigeria. Implications for research and practice were discussed.

Keywords: Continuing Professional Education, Estate Surveying and Valuation, Nigeria, Performance, Property Appraisal, Strategic Management.

INTRODUCTION

Most professionals do not have the expertise needed to carry out some routine administrative and management tasks. Continuing professional education (CPE) is the only way to acquire their desired knowledge. Estate surveying and valuation firms (ESVFs) is not an outlier in this practice. CPE may come in terms of workshops, in-house training, MBA, conferences and routine professional training and practice. The importance of strategic management (SM) means that professionals in estate management or property valuation need to undergo some training to apply SM to boost their firms' performance. In that line of thought, this paper seeks to investigate the effect of applying SM learned via CPE on ESVFs' performance. This research is important because research in strategic management of professional service firms (PSFs) in Nigeria has been confined to banking (Akinyele & Fasogbon, 2010).

Strategic management is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives; and in doing so, integrates management, marketing, finance and accounting, production and operations, research and development, and information systems to achieve such objective (David et al., 2019).

In Africa, generally and Nigeria, research on strategic management applications in organisations is still in infancy. Presently obtainable are scanty studies in the manufacturing sector. It is, however, noteworthy that the professional service sector is not left out. There is some strategic management studies conducted in the different sectors in Nigeria (Adeniran & Obembe, 2020). On the other hand, the local literature is bereft of studies of strategic management practices in the running of estate surveying and valuation firms (ESVFs). ESVFs are custodians of a huge wealth of clients' resources and need to be studied in relation to

strategic management principles to situate the firms in vantage positions for optimum performance (Boyd et al., 2014). This aligns with Mawdsley & Somaya (2015) that strategic management choices are central to firm-specific human capital professional organizations.

The present study's justification is that learning strategic management through CPE will help bridge the knowledge gap in the estate surveying and valuation profession in Southwest Nigeria in particular and Nigeria in general. This is because extant studies have shown that strategic management is beneficial to professional firms (Dushnitsky et al., 2022). The SM skills are not contained in the educational curricula of tertiary education institutions in Nigeria but can be obtained via different forms of CPE. Consequently, the SM knowledge obtained through CPE will improve the performance of the estate surveyors and valuers (ESVs) in ESVFs in Nigeria.

LITERATURE REVIEW

Empirical Studies on the Impact of SM Principles on Performance

Performance could be viewed from the perspective of working effectiveness or accomplishment of a goal or thing accomplished over time. The ESVF just like any business organisation is out to achieve something and this is reflected in its goals and objectives. An objective is an end result, the end point, or something that is aimed for and aspired to be reached. However, objective setting is preceded by organizations mission or purpose and for ESVFs, such mission may include target clients, types of services to render and where to be based. The area of objectives may include public and social responsibility, market standing, productivity, physical and financial resources, profitability, innovation, management performance and development as well as worker performance and attitudes. In order to achieve the objectives as set, control has to be instituted. The process of control includes establishing performance standards, determining performance measurements, measuring performance, comparison with standard (evaluation) and then taking corrective action if necessary. Thus, just like any other business outfit, performance is key to the growth of ESVFs.

The authors are unanimous on the conclusion that effective strategic management principles have a positive effect on performance in real estate and valuation firms (Bergh & Fairbank, 2002). Although, the extent of the positive effects varies slightly across climes and are often affected by the environmental, social and economic variables peculiar to each country (Oladokun & Ogunbiyi, 2018).

Continuing Professional Education in Professional Practice

Continuing professional education (CPE) is a calculated attempt to introduce, review, or change some identified competencies expected to enhance professional performance (Che et al., 2018). CPE involves tapping into knowledge in a database of competencies approved and audited by accredited professional bodies or governments. The aim of adopting CPE differs within and between professions. The acquired knowledge could be to advance career or promotion, learn, relearn or unlearn skills required to tackle emerging challenges in professional practice, change, amend, alter or introduce skills to match the demands of the profession and as a strategy to ensure firm viability and competitive advantage against competitors (Fahlman, 2017; Taiwo & Idunnu, 2007). Changes in the global and business environment will always necessitate a change in knowledge skill required to navigate it, obtained via CPE (Ng & Ho, 2016). Once

new skills are learned through CPE, it helps the professionals tackle problems that ensure their firms' viability and ultimately achieve the stated reliable and measurable goals of the professional firms (Erol et al., 2016).

CPE may be needed most in developing countries where the educational system is not tailored to skill development and tackling current challenges. In those countries, professional firms resort to on-the-job training or CPE. Hence, current trend has since a less dependent on educational qualification and more on professional qualification.

METHODOLOGY

The data collection exercise was carried out by the researcher with the support of seven (7) research assistants between February and June, 2020. The sampling frame consists of ESVFs in the six (6) States of the Southwest geopolitical zone of Nigeria with a population of four hundred and seventy-one (471) firms. In all, a total of three hundred and fifty copies of the questionnaire (350) were distributed in person with/without prior consent. This number is in excess by fifty-seven (57) copies over the minimum sample size of two hundred and ninety-three (293). The excess copies were distributed in Lagos State only to boost the level of response amid the challenges of the corona virus pandemic (COVID-19), at the advent of the lockdown thereof. Two hundred and sixty-three (263) copies of the questionnaire were retrieved for analysis. All were well filled and usable, hence none was voided. The survey details are presented in Table 1.

State	Population	Adopted sample size	Number retrieved	Percentage retrieved
Ekiti	7	7	6	86
Ogun	14	14	8	57
Ondo	23	23	11	48
Osun	15	15	14	93
Oyo	38	38	35	92
Lagos	374	196	189	96
Total	471	293	263	90

From Table 1, it can be seen that the average response rate on this study is 90%.

RESULTS

Correlation between SM Practices and Factors Affecting Firm Performance

Correlation coefficients that explain the relationship between SM practices and factors affecting firm performance were obtained using Pearson (Product moment), Spearman rank and Kendall tau methods, as presented in Table 2.

From Table 2, it can be seen that the practice of SM by the ESVFs is positively correlated with the factors affecting firm performance for Pearson, Spearman rank and Kendall-tau correlation coefficients of 0.425 ($p < 0.05$), 0.453 ($p < 0.05$) and 0.328 ($p < 0.05$) respectively. Hence, increasing SM practices will propel increases in the firms' ability to be market leader, increase in financial growth, spread, improved organisational form, enhanced staff loyalty,

increase the life span of the firm, ensure succession planning and increase the degree of adoption of SM practices and SMTTs.

Correlation Coefficient	Value	P-value
Pearson	0.425	0.000
Spearman rank	0.453	0.000
Kendall tau	0.328	0.000

Correlation between SMTTs' Usage and Factors Affecting Firm Performance

Correlation coefficients that explain the relationship between SMTTs' usage and factors affecting firm performance were obtained using Pearson (Product moment), Spearman rank and Kendall-tau methods, as presented in Table 3.

Correlation Coefficient	Value	P-value
Pearson	0.318	0.000
Spearman rank	0.257	0.000
Kendall tau	0.180	0.000

From Table 3, it can be seen that the use of SMTTs by the ESVFs is positively correlated with the factors affecting firm performance for Pearson, Spearman rank and Kendall-tau correlation coefficients of 0.318 ($p < 0.05$), 0.257 ($p < 0.05$) and 0.180 ($p < 0.05$) respectively. Although, it is generally a weak positive correlation, the relationship is significant. Hence, increasing the use of SMTTs by the firms will propel increases in the firm ability to be market leader, increase in financial growth, spread, improved organisational form, enhanced staff loyalty, increase the life span of the firm, ensure succession planning and increase the degree of adoption of SM practices and SMTTs.

Correlation between SM Practice, Turnover and Income of ESVFs

Correlation was used to identify the relationship between SM practices and the duo of turnover and income as disclosed by the respondents. The aim is to determine the extent of the nature and strength of the relationship between SM practices and the duo of turnover and income of the respective firms. This was achieved using Pearson (Product moment), Spearman rank and Kendall-tau methods, as presented in Table 4.

From Table 4, it can be seen that all the relationships are weak positive correlations. The bold font p-values indicate where p-value is less than 0.05. Here, SM practices are positively correlated with the turnover. The correlation between SM practice and turnover is significantly positively correlated using Spearman rank and Kendall-tau while the relationship is not significant if Pearson correlation coefficient is used as indicator. Similarly, SM practice is significantly positively correlated with income, irrespective of the three methods used to compute the correlation. Hence, increasing SM practice will consequently increase the income and turnover of the firm and vice versa.

	Turnover		Income	
Correlation Coefficient	Value	P-value	Value	P-value
Pearson	0.081	0.192	0.201	0.001
Spearman rank	0.136	0.028	0.182	0.003
Kendall tau	0.109	0.024	0.142	0.002

Correlation between SMTTs' Usage, Income and Turnover of Firms

Correlation was used to identify the relationship between SMTTs usage and the duo of turnover and income as disclosed by the respondents. The aim is to determine the extent of the nature and strength of the relationship between SMTTs usage and the duo of turnover and income of the firms. This was achieved using Pearson (Product moment), Spearman rank and Kendall-tau methods, as presented in Table 5.

	Turnover		Income	
Correlation Coefficient	Value	P-value	Value	P-value
Pearson	0.101	0.101	0.219	0.000
Spearman rank	-0.068	0.271	0.176	0.004
Kendall tau	-0.055	0.257	0.130	0.005

From Table 5, it can be seen that all the relationships are combinations of weak positive and negative correlations. The bold font p-values indicate where p-value is less than 0.05. Here, there is no relationship between SMTTs' usage and turnover. Increasing or decreasing SMTTs usage will have no appreciable effect on the turnover of the firms. On the other hand, SMTTs usage is significantly positively correlated with income, irrespective of the three methods used to compute the correlation. Hence, increasing SMTTs' usage will consequently increase the income of the firm and vice versa.

DISCUSSION AND CONCLUSION

The Impact of Strategic Management Principles on the Performance of ESVFs in Southwest, Nigeria

This Study presented evidence of a strong significant positive correlation between SM practices or the use of SMTTs and factors affecting firm performance. Hence, increasing the level of SM practices or increase in the adoption of SMTTs' usage in the ESVFs will consequently lead to increases in the firms' capability to become market leader, increase in financial growth, spread, improved organisational form, enhanced staff loyalty, guarantee the life span of the firm, ensure the inevitability succession planning and increase the degree of adoption of SM practices and SMTTs. Generally, this Study has shown that strategic management helps improve ESVFs' general performance. Specifically, a strategy will help improve the firms' market standing, increase their competitive advantage, improve their liquidity, and ensure the organisations' stability and viability (Skogland & Hansen, 2017).

SM practice is positively correlated with both income and turnover, while the use of SMTTs is positively correlated with income of the ESVFs only that is, not positively correlated with turnover. Although the correlations are weak, nevertheless, they are significant. Apart from crafting, implementing, evaluating and control process in strategic management, it also ensures that a framework that reduces costs is put in place, which inevitably increases the income of the ESVFs (Stamevska et al., 2019). SM practice also involves converting threats to opportunities, which increases the turnover of firms (Ansoff et al., 2018). ESVFs with high SM practice and SMTTs' usage is more likely to generate more income and high turnover.

The impact of Continuing Professional Education on Firm performance

The knowledge of strategic management may not be available in universities' curricula, but the concept of SM is highly desirable for optimum performance and firm viability. This research has shown that the knowledge obtained through CPE has been helpful by ESVs in crafting strategies that enhance the performances of ESVFs in Nigeria. The concept of SM theory and practice should be incorporated into the professional examinations to equip learners with the necessary skills needed to tackle emerging issues related to their professions. Professionals in estate valuation should encourage their top executives to learn different skills such as emerging technologies in estate appraisal, sustainability in real options, trend analysis of properties, negotiation skills and so on (Iroham et al., 2019; 2020). These skills can be obtained through CPE, which are strategic to the continued existence and sustainability of estate surveying and valuation firms.

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