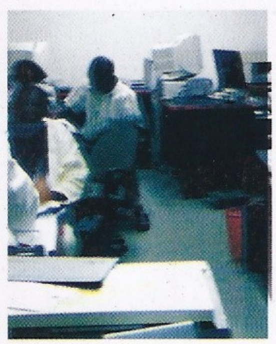
ARCHITECTURE FILES

PROFILES OF ARCHITECTURE FIRMS IN NIGERIA



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NOTES TO CONTRIBUTORS

ARCHITECTURE FILES is a monograph series aimed at studies which would not ordinarily be suitable for the typical journal either because of size or indeed subject matter. It offers a forum to disseminate research findings which require copious illustration and text. The scope of the series includes Architecture, Urban Design and some aspects of Fine Arts which bear on the environment or its history.

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ACRONYMS

AIA	AMERICAN INSTITUTE OF ARCHITECTS
ARCON	ARCHITECTS REGISTRATION COUNCIL OF NIGERIA
CBAE	CALIFORNIA BOARD OF ARCHITECTURAL EDUCATORS
FNIA	FELLOW NIGERIAN INSTITUTE OF ARCHITECTS
ICT	INFORMATION COMMUNICATION TECHNOLOGY
IT	INFORMATION TECHNOLOGY
MNIA	MEMBER NIGERIAN INSTITUTE OF ARCHITECTS
NIA	NIGERIA INSTITUTE OF ARCHITECTS
RAIC	ROYAL ARCHITECTURAL INSTITUTE OF CANADA
RIBA	ROYAL INSTITUTE OF BRITISH ARCHITECTS

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1.0 Introduction

Most of what is known about architecture firms in Nigeria is from speculation. Very little empirical data exists about the characteristics of the practice of architecture (Arayela, 2001; Faseun-Motesho, 2006; Ogundiran, 2006). For example, it is not certain what the general profile of architecture firms is like with respect to types of clientele, gender, size of firms, organizational composition, leadership characteristics, types of projects, staffing strategies and organizational values. Furthermore in this age of globalization and competition, it is not certain how advanced the firms are with respect to Information Technology (IT) and Communication (ICT). In addition, a number of questions still remain unanswered. Are architecture firms in Nigeria different from or similar to those in western countries? If they are different, in what respect? Are architecture firms in Nigeria very similar or very different from one other such that they can be grouped into types? These are some of the questions that have remained unanswered for many years in the context of Nigeria.

Undoubtedly, answers to these questions are important for at least three reasons. The first is that for a profession to make progress there is a need to examine its current state, especially its practice. This has hitherto been largely hindered by the dearth of information on architecture firms within the country. It is therefore not surprising that there have been growing concerns among architects about the practice of the profession and especially about its development and sustainability. Despite these concerns, very few studies have been carried out in order to provide the much-needed data for developing strategic plans for the profession. In contrast, similar concerns have led architects in other countries such as United States of America (California, CBAE, 1997) Canada, (RAIC, 2002), and Britain, (Symes *et al,* 1996) to carry out studies of architecture firms in their countries.

The second reason is that the study of the characteristics of architecture firms is very important because it helps to reveal the elements, which distinguish it from other professional firms. It is the primary way by which one understands and apprehends the architecture firm (Rich, 1992). In addition, a study of the characteristics of architecture firms helps us to understand the differences between the firms. Several authors have used the notion of *demographics* to study the characteristics of firms and to highlight the differences between the firms (Michel & Hambrick, 1992; Wiersema & Bantel, 1992; and Jackson *et al*, 1991). An understanding of these differences, according to Rich, (1992), is fundamental because they are the pre-requisite to further and deeper research endeavours such as the reasons for the differences. Demographics, which this paper defines as the *General Profile* of firms, explain two-thirds of everything (Foot, 2000). It offers a way to distinguish and describe profiles of a population and determine what sets it apart (Wiersema & Bird, 1993). Architecture firms in Nigeria may not be as homogeneous as most would want to assume. Many recent studies have provided evidence of a large heterogeneity within professional service firms, even within narrowly-defined industries or markets (Ahn, 2001; Bartelsman & Doms, 2000; and Caves, 1998). Consequently, it is worthwhile to study how homogeneous architecture firms are so that any strategic plan for the profession would take into account the differences between the firms.

The third reason why this study is important is that the training of architects and the curriculum of architectural education needs to take account of the current state of the practice of the profession. This is only possible where information exists. Various studies on the characteristics of architecture firms have been carried out in foreign contexts such as California, Canada and Britain (CBAE, 1997; RAIC, 2002 and Symes *et al*, 1996). However, in Nigeria, very few studies have examined architecture firms, especially the profiles of the firms. One of these few studies was carried out by Ogundiran (2006) who examined architecture firms in Ibadan, a study area which is not representative of firms in Nigeria.

Most of the previous studies on organizations have focused primarily on individuals within the firm; that is, examined the characteristics or profiles of individuals. Very few studies have focused on firm-level profiles. Amongst studies of architecture firms, few researchers have studied organizations at the level of the firm (Symes *et al*, 1996; Ogundiran; 2006; Fowler & Wilson, 2004; and CBAE, 1997). Furthermore, not too many dimensions of organizational profiles have been studied especially with the aim of describing the characteristics of firms. These studies have not been holistic but rather, they have focused on specific dimensions such as Information and Communications Technology (Faseun-Motesho, 2006), workforce profiles (such as age, tenure, sex, race, professional qualifications and socioeconomic background), size of the firms, characteristics of executives, forms of business, and locations of the firms (Pfeffer, 1983; and Johnson, 2006). Other dimensions which have received less attention are the work/task profiles, the strategy of the firm, the culture of the firm, and the structure of the firm.

There have also been studies, which focused on gender issues in architectural practice. The foci of these studies were gender gaps and gender discriminations in the workplace. Fewer women were seen in practice compared to their male counterparts. The discontent of female architects has also been investigated (Fowler & Wilson, 2004) suggesting that the late entry of women into the profession was responsible for this. However, there has been very little investigation even of the gender composition of architecture firms in Nigeria.

Studies of architecture firms have adopted different methodological approaches. Some adopted the quantitative method (Symes *et al*, 1996; and CBAE, 1997). Symes *et al*, (1996) adopted both the survey and the case study approach, while CBAE, (1997) adopted only the survey method to examine the nature of practices in California. The adoption of surveys was necessary to permit a generalization of the results to the entire populations of architecture firms in the country. Two types of survey methods were used. While Symes *et al* (1996) carried out a longitudinal survey to investigate the trends in firms, CBAE (1997), investigated the nature of the architects and firms using a cross sectional survey. In the studies which employed the survey method, the technique used was the questionnaires and the data were analyzed using simple descriptive analytical methods such as frequency.

This study, being an exploratory study, provides basic data on the profiles of architecture firms in Nigeria. It took a holistic approach. This means that examined a wide range of dimensions which include workforce characteristics, ICT characteristics, clientele profiles, structure, size, culture, strategies and tasks. The study answers three questions. First, what are the characteristics of architecture firms in Nigeria (especially the workforce profiles; clientele; cultural profiles, Information Technology (IT), strategic principles and organizational structures)? Second, how do architecture firms compare with their counterparts in other countries? Third, what characteristics distinguish architecture firms from each other? The method employed was both qualitative and quantitative.

The rest of this paper is organized as follows. The first section which is this current section introduces the study while the second section describes the methodology used to study the firms. Section three focuses on the *general profiles of the firms* (form of ownership, age of firm, clientele, services offered and ICT) and section four discusses the *workforce characteristics*. In the fifth section, the study describes the *strategic and cultural characteristics* of the firms. Finally the characteristics that distinguish architecture firms from each other are discussed in the sixth section titled *types of firms*.

2.0 Study Methodology

This study thus took an approach which was exploratory and descriptive. The aim was primarily to describe architecture firms in Nigeria; a topic which lacks much empirical investigation. The purpose was not to proffer explanations or theories for any observed phenomena within the firms; therefore, the research was mainly inductive. The architecture firms were studied as professional organizations. Hence, dimensions of organizational design such as organizational structure, strategies, culture, technology and workforce were examined.

A sample of 157 firms was selected mainly from 342 firms registered by the Architects Registration Council of Nigeria (ARCON, 2006). The study also included firms which were not registered by ARCON. The random sampling method was used. The architecture firms that were considered in this study were those that carried out core architectural services and were headed by registered architects. The firm was used as a unit of data collection and analysis. The samples were selected from cities with the highest number of architecture firms (Appendix 1). These cities were Lagos, Abuja, Kaduna, Enugu, Port Harcourt, and Ibadan where 77.7% of the registered architecture firms were located. Out of the 157 questionnaires administered, ninety-two (92) were returned, representing a response rate of 58.6%. One of the limitations of the study was the difficulty in locating most of the firms at the addresses indicated on the register (ARCON, 2006) and many principals also refused to fill the questionnaires insisting that they were very busy. The data collection was preceded by a thorough preparation of key research assistants and a pilot study in two architecture firms. The data was collected between February 2008 and May 2008.

The survey and qualitative research methods were used. The survey instrument was the structured questionnaire (Appendix 2), while the qualitative instrument was the interview schedule (Appendix 3). A total of 47 questions were included in the questionnaire. The results were analyzed using descriptive statistics.

3.0 General profiles of architecture firms in Nigeria

This section discusses the general profiles of the firms in three sub-sections. The first describes the basic profiles of the firms including age, ownership form and registration status. The second describes the firms' clientele and services while the third gives an overview of the Information Technology (IT) characteristics of the firms.

3.1 Basic profiles

First of all the results showed that the highest percentage of firms (27.2%) were between 11 and 15 years old (Figure 3.1), 19.8% of firms were between 16 and 20 years old, 16.0% were between 6 and 10 years, 13.6% were between 21 and 25 years and 13.6% were above 26 years. Only 9.9% of the firms were less than 6 years. In sum, most (74.1%) of the firms were more than 10 years old. These results were compared with the information obtained from the ARCON register in order to establish how similar the sample of this study is with that of the ARCON register. The comparison showed a lot of similarity although a proportion of the sample in this study was not registered with ARCON. Most firms (79.4%) in the Register of Architecture Firms Entitled to Practice in Nigeria (ARCON, 2006) had existed for more than 10 years just as in the sample of this study. Table 3.1 shows these results. Furthermore, the proportion of firms in this study between 0 and 5 years (9.9%) is also quite close to the proportion of registered firms (8.5%) in the ARCON register of the same age range. The results of this study therefore show that the sample used was similar to that of the Register of ARCON. Hence, the sample ion this study is as representative of the total population of firms in the country[1] as the ARCON Register. Consequently, the rest of the results should also give a representative picture of the architecture firms in Nigeria.

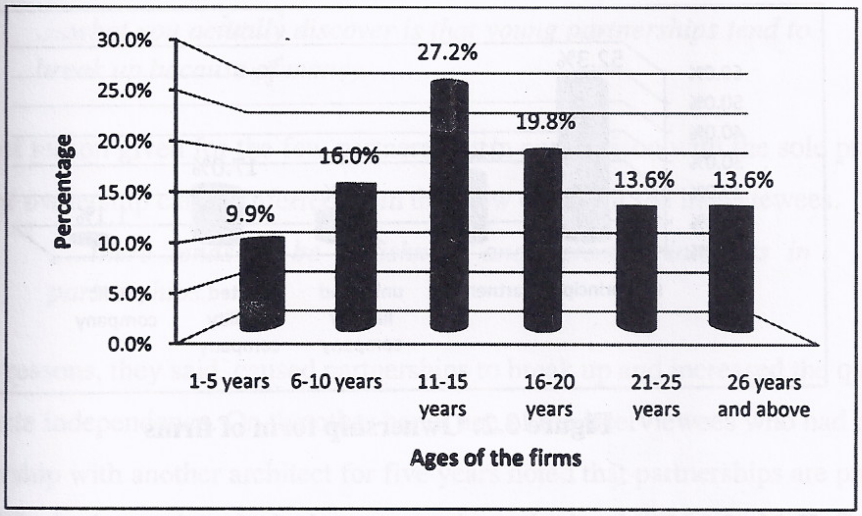

Figure 3.1: Age of firms

Table 3.1: Ages of firms as contained in the register of architecture firms entitled to practice in Nigeria

Age (in years)	Frequency	Percent (%)	Cumulative Percent (%)
0-5	29	8.5	8.5
6-10	41	12.1	20.6
11-15	74	21.8	42.4
16-20	83	24.4	66.8
21-25	48	14.1	80.9
26 and above	65	19.1	100.0
Total	340	100.0	

Source: ARCON (2006)

Second, most (52.3%) of the firms were owned by sole principals (Figure 3.2). The next most common form of ownership was the partnership (21.6%). The proportions of the firms that used other forms were 17.0%, 8.0% and 1.1% for the limited liability company, unlimited liability company and the public limited company respectively.

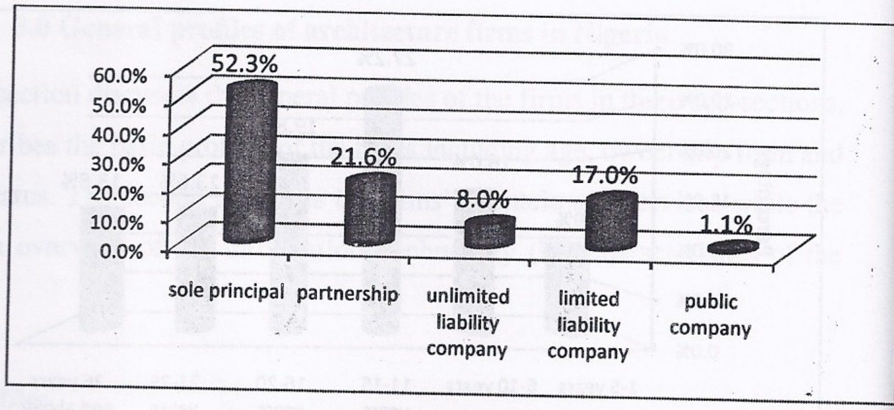

Figure 3.2: Ownership form of firms

Table 3.2: Ownership form of firms from the register of architecture firms entitled to practice in Nigeria

Ownership Form of firms	Frequency	Percentage (%)
Sole Principal	290	85.0
Partnership	51	15.0
Total	341	100.0

Source: ARCON, (2006)

The predominance of the sole principal form of ownership was confirmed by the interviews. Participants at the interviews were of the opinion that most architecture firms in Nigeria were owned by sole proprietors for various reasons. One of the interviewees attributed the dominance of sole principal architecture firms to the difficulty of getting compatible persons for partnership. He stated that:

> *I've always wanted a partnership but I have not just found somebody who is really ready, like somebody I know I can take along with me and also the issue of fund……*

The interviewee thus concluded that:

> *…..we have more sole principals because of this issue of no compatibility.*

Another reason given was the lack of trust in financial matters. One of the interviewees noted that:

....what you actually discover is that young partnerships tend to break up because of money.........

The last reason given for the few partnerships in comparison with the sole principal form of ownership can be inferred from the view of one of the interviewees.

.....there tends to be selfishness and personal interests in partnerships.

These reasons, they said, caused partnerships to break up and increased the quest for complete independence. On the other hand, one of the interviewees who had been in partnership with another architect for five years noted that partnerships are probably established when sole principals want to share the burden of running a firm. He stated that:

.....we used to be two firms who have practiced independently for at least 20 years and we know the terrain well. It is not easy in the present economic situation to alone bear the burden of running a firm. First you have to pay staff, pay for accommodation and all that. So we came together so as to share the burden.

It may therefore be assumed that partnerships in Nigeria are formed sometimes as a result of the economic and business environments (and in order to share the burden of running a firm) rather than as a first choice of architects.

It was also interesting to find other forms of ownership apart from the sole principal and partnerships which were the only forms assumed to exist by ARCON. These forms were the limited liability company, and the unlimited liability company and the public liability company. This suggests that the practice of the profession is undergoing significant changes. Surprisingly also, the number of firms which had the limited liability form of ownership was almost as large as those that were partnerships (17.1% of the firms had the limited liability form of ownership compared with the partnership form, which constituted 21.6%). This confirms the assertion by Chappell (2000) that architecture firms are opting for limited liability as an alternative to the partnership form of ownership.

Third, most (66.7%) of the firms were registered with the Architects Registration Council of Nigeria (ARCON), 26.4% were not registered and 6.9% firms indicated that they were not sure (Figure 3.3).

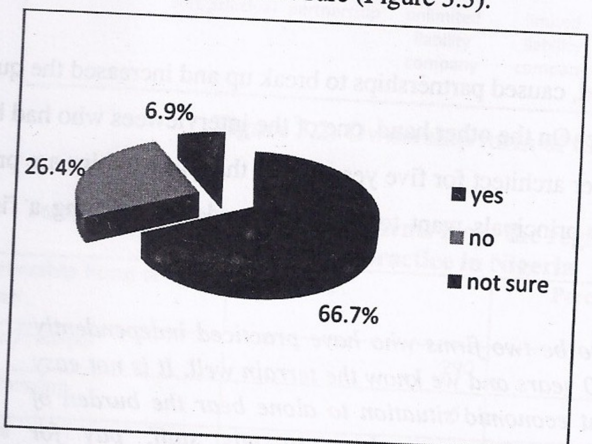

Figure 3.3: Registration with ARCON

The study also found that architecture firms did not register until after some years of being established (Figure 3.4). This is because most of the firms 10 years and below were not registered, while most of the firms above 10 years were registered. In fact, all the firms that had existed for more than 20 years were registered with Architects Registration Council of Nigeria, (ARCON). It thus appears that there may indeed be more young firms which are practising in the country and are not registered by ARCON. They may be said to constitute the informal architectural practice in the country.

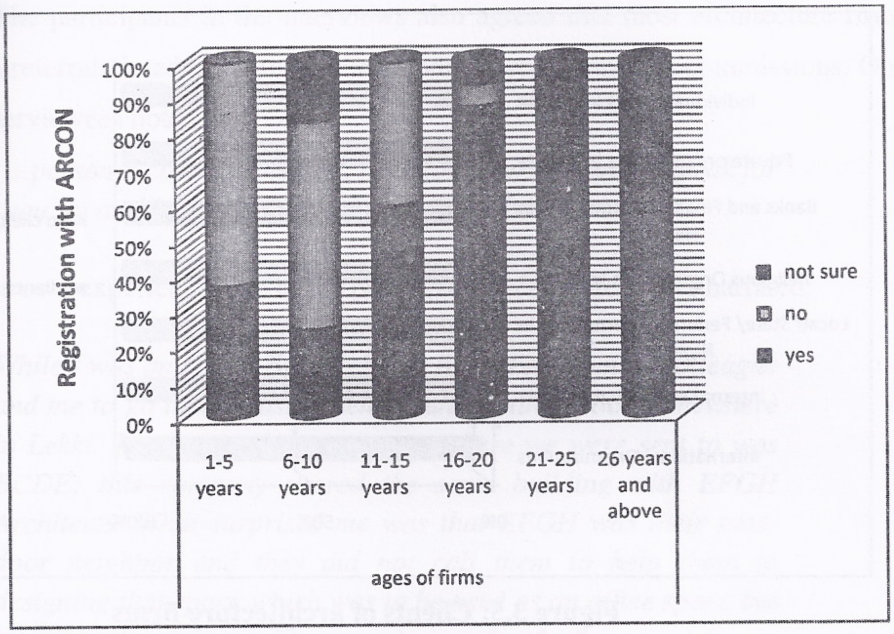

Figure 3.4: Registration of firm with ARCON and the ages of the firms

3.2 Clientele and Projects

3.2.1 *Clientele*

Individual clients appeared to be the major patrons of architecture firms, followed by private organizations (Figure 3.5). Figure 23 also shows that only 9.4% and 12.9% of the firms had no individual clients and no private organizations as clients respectively. Almost half of the firms (40%) had no government clients; and more than half (56.5% and 76.2% respectively) had no international individual or international organization clients. It is interesting to note that international clients (individuals or organizations) were the least to be found in the clients of the firms sampled. This suggests a low level of globalization of the architecture firms.

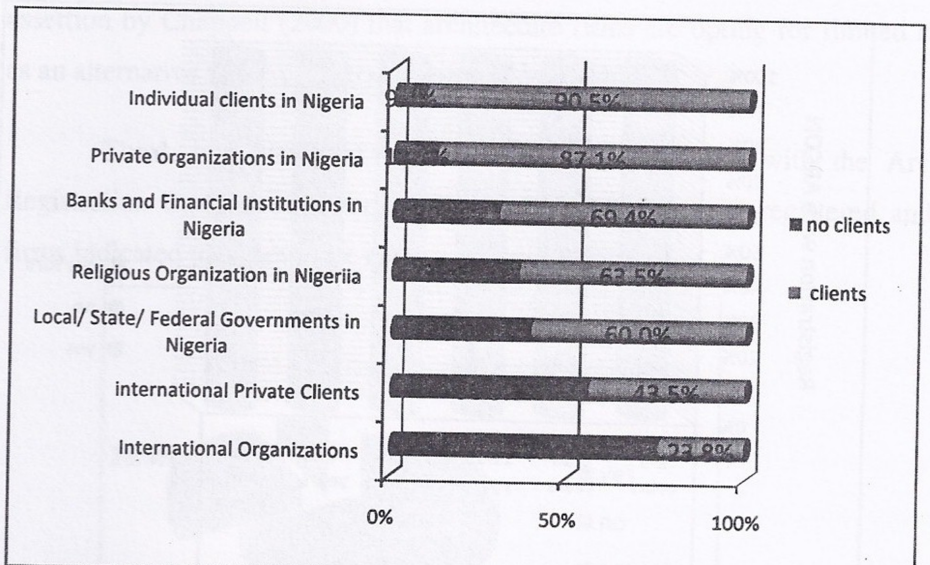

Figure 3.5: Clients of architecture firms

3.2.2 *Sources of Clientele*

Personal contact was the main source of the projects of 98.9% of the firms (Figure 3.6). It thus appears that most of the principals sold their services personally. The results suggest that a large source of clientele also came from family, friends and old clients. The next major sources for businesses were referrals through previous projects and other professionals.

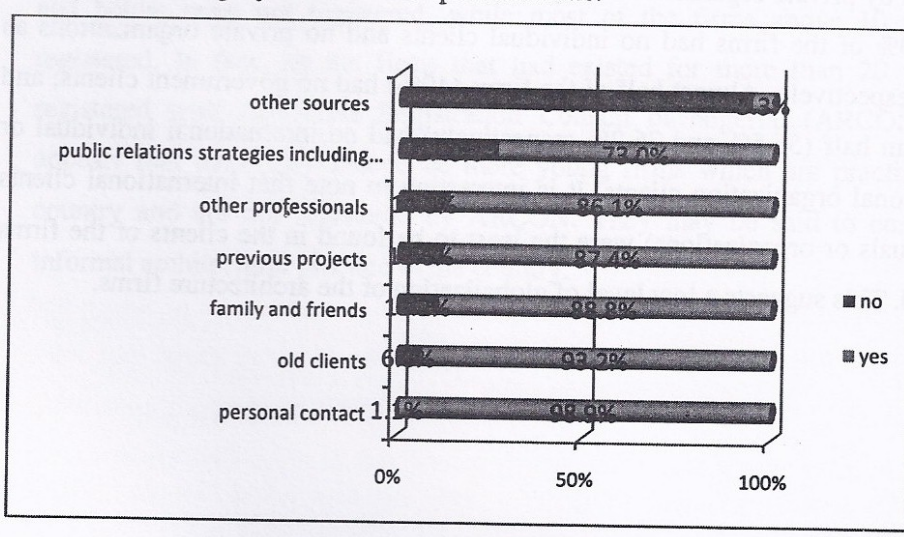

Figure 3.6 Proportion of clients from various sources

The participants in the interviews also agreed that most architecture firms relied on referrals in addition to personal contacts to obtain new commissions. One of the interviewees noted that:

> *...personal connections first, then your work begins to speak for you. In architecture, you must know somebody."*

Citing his own experience, one of the participants in the interviews narrated:

> *While I was on IT at ABC, Architect BD asked a junior colleague and me to go take measurement of an existing space somewhere in Lekki. The name of the company where we were sent to was BCDE; this company shared the same building with EFGH Architects. What surprised me was that EFGH was their next-door neighbor and they did not call them to help them in designing that space which was to be used as an office space but had to call us whose office was thousands of miles away. It was definitely not because of the money. I later found out that it was the Managing Director of BCDE and my boss were friends in the university. The funny thing is that (in their own little way), they keep linking us with other clients in their class that needed design jobs to be carried out or projects to be executed. Friends definitely play a major role in sourcing for jobs.*

This agrees with the assertion of Forsyth (2003) that the major way that professional services are sold is through personal contacts.

3.2.3 *Projects and Services*

The architecture firms embarked mostly on commercial (98.8% of firms) and residential projects (97.6% of firms), and as shown in Figure 3.7 The projects least found in the portfolio of most of the architecture firms were cultural or entertainment, transportation, industrial and mixed use projects.

The services provided by most of the architecture firms were architectural design and supervision (Figure 3.8), suggesting that the traditional duties of the firms still ranked high on the list of services provided by the firms. Next to this was project and construction management, then landscape services. Valuation was more often provided than structural design and urban design. The services least offered were litigation or arbitration and sale of building materials.

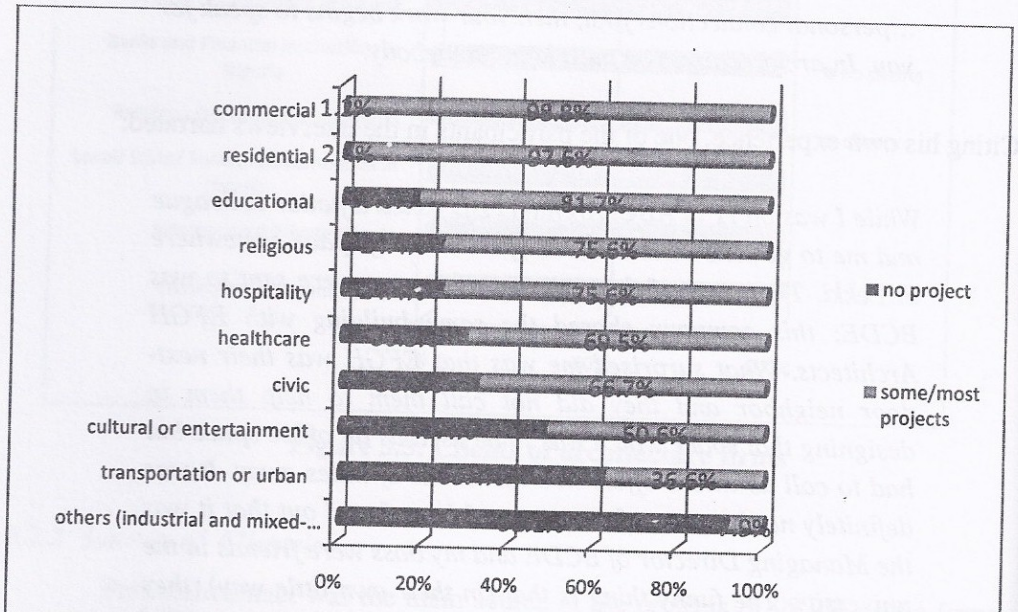

Figure 3.7: Proportion of different project types in firm's portfolio

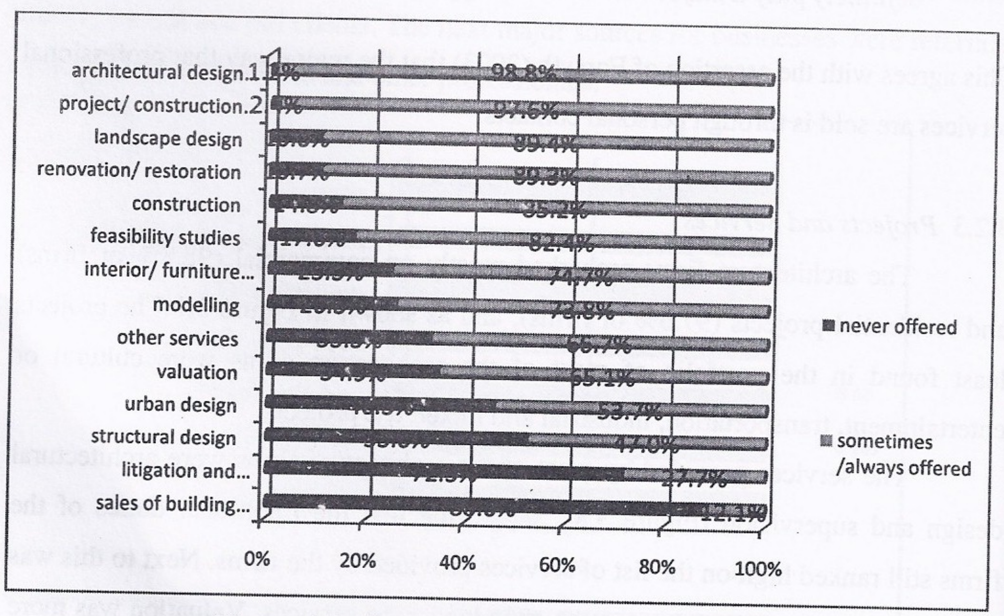

Figure 3.8: Services offered by the architecture firms

3.2.4 *Sizes of projects carried out in the last two years*

The study found that about half of the firms carried out small-sized projects, while the other half carried out large-sized projects (Figure 3.9). About half of the firms carried out projects costing more than ₦100million and the other half carried out projects less than ₦100million. It thus appears that most of the architecture firms in Nigeria handle small projects which may be attributed to the fact that most of the clients of architecture firms are private individuals (Figure 3.4) and most of the projects are residential buildings.

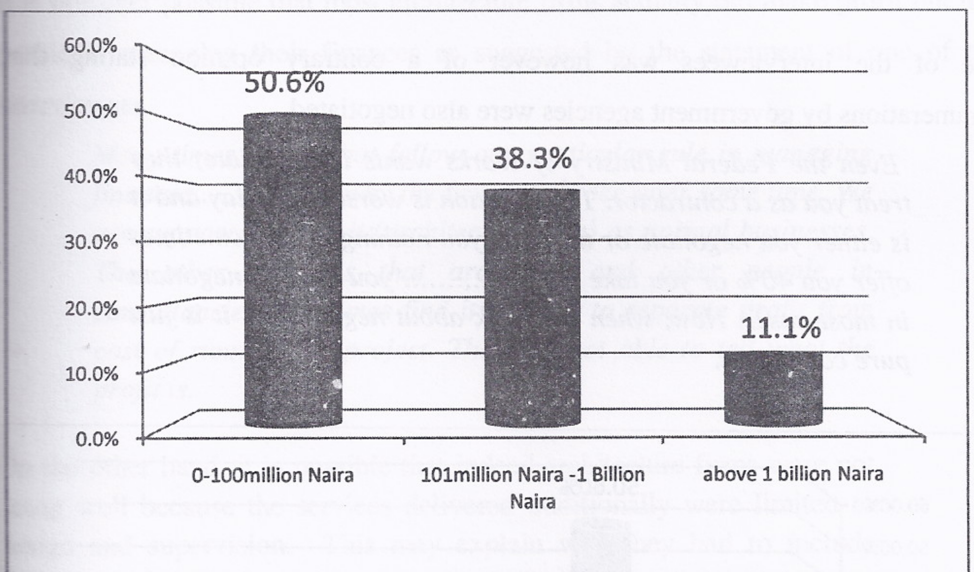

Figure 3.9 Average sizes of projects done in the last two years

3.2.5 *Means of Remuneration*

It is surprising to note that about half of the firms used only negotiation/bidding as the means of obtaining remuneration (Figure 3.10) while only about a quarter of the firms were remunerated by the recommended scale of fees only. On the whole, whether a firm used one means only or more than one means, negotiations/bidding was the more common way of getting architectural fees. The findings of the interviews also corroborated this, as the participants agreed that getting their remunerations based on the professional scale of fees in Nigeria was difficult, so they negotiated their fees. One of the interviewees noted that: