



## INFLUENCES OF ORGANIZATIONAL CULTURE ON EFFECTIVE TRANSFER OF KNOWLEDGE IN CONSTRUCTION FIRMS

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### ABSTRACT

The performance of construction firm employees has been significantly low in the last decades despite the availability of modern techniques and technical knowhow. Research evidence revealed that a fraction of this problem is attributed to inadequate or poor knowledge transfer amongst construction firm employees in Nigeria. Organizational culture has been seen as a major facilitator in building a positive knowledge transfer environment in the public sector. The study utilised a quantitative approach and structured questionnaires. The study concluded that organisational culture has influence on the effectiveness of knowledge transfer within an organization. It is recommended that the employees' confidences should be boosted to curb job insecurity and knowledge management should be made a priority in the organisations

**Keywords:** *Construction firms, Organisational culture, employees' Knowledge transfer, Nigeria*

### 1 INTRODUCTION

The construction industry is one of the highly information/ knowledge intensive sector Chidebere, (2012), with each projects saddled with tons of information; briefs, drawings, specifications, bill of quantities, instructions, schedule of works, material schedule, valuations reports, claims, material prices, inventories, cost control to mention a few, coupled with the amalgamation of several professionals. This has in no doubt have made knowledge management a crucial tool. In fact it was iterated as an indispensable process in achieving, sustaining and improving organizational efficiency and competitive advantages (Wie and Miraglia, 2017; Santoro *et al.* 2017).

Executing a construction project relies on the efficiency and effectiveness of workers, employees and the project team members, carrying out these responsibilities requires the organization (contractor and consultant) to formulate policies that will assist in day to day operation (Ikediashi *et al.* 2012). Worthy of note is that, Odusani *et al.* (2007) the involvement of highly experienced and knowledgeable personnel is paramount to the capacity of any construction firms and the industry at large in developing, procuring and delivering innovative, complex and demanding project.

In constructions projects, Wie and Miraglia, (2017) states that the transfer of knowledge and experiences across team members and projects, provides the opportunity to exploit and leverage valuable lessons learnt, avoid repetition of mistakes and improve overall project performance. The approach which an organization handles knowledge management assists it, in developing necessary strategies to achieving its set objectives (Mario and Ignacio, 2012). Such strategy could be a moderate,

inconsistent, passive or proactive in its application. The Nigerian construction firms have been identified as been backward in relations to organization strategic trainings (knowledge management), as most of the workers learn while on the job, through informal means (Ikediashi *et al.* 2012).

The Nigerian construction industry is plagued with non-performance which usually results in waste of money in construction projects, this alongside other factors has undermined the performance of construction firms within the overall macroeconomic. And this can be tackled with a comprehensive organisation learning and knowledge management practice (Ariyo and Awodele, 2015).

Organisational culture which is a combination of values, norms, guiding beliefs, and understanding that is shared by members of an organization has been found to be a major facilitator in building a positive knowledge-transfer environment in corporate businesses. Organisational culture guides people's thoughts and choices, and provides terms of reference for what is right and wrong doing about project-related knowledge and learning (Ajmal and Koskinen, 2008).

While there are a number of researches in the field of Knowledge management, there is little of non-existence of studies that examine the influence of organisational culture on knowledge transfer amongst construction firms and their employees in the study area and in Nigeria generally. Thus, this study aims to determine the influence of organisational culture on knowledge transfer in construction firms.

## 2.0 THE INFLUENCES OF ORGANIZATIONAL CULTURE ON EFFECTIVE TRANSFER OF KNOWLEDGE

Organisational culture is combination of values, norms, guiding beliefs, and understanding that is shared by members of an organization (Daft & Armstrong, 2012). Organizational culture may be seen as a major facilitator in building a positive knowledge- transfer environment in the public sector. Some studies found that organizational cultural elements including trust, communication, reward system, and organizational structure may positively impact knowledge sharing in organizations (Al-Alawi, Al-Marzooqi, & Mohammed, 2007; Seba et al., 2012). Organizational culture is widely regarded as the most important enabler of, and impediment to, the management and transfer of organizational knowledge. Information and communication technologies have certainly expanded the opportunities for storing, reusing and leveraging knowledge; however, people remain both essential actors and ultimate beneficiaries of the transfer process. Knowledge-related activities require social interaction and human cognition and are shaped and influenced by cultural factors. Organizational culture determines the underlying assumptions upon which knowledge is managed and shared, mediates the interplay between the individual and the organizational level, and suggests who is expected to control and share the transferred knowledge. The cultural traits of the organization set the context for social interaction, inform the process by which new organizational knowledge is created, legitimated and distributed.

Schein (2010) defines it as “ a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems” Based on Schein's work, Cummings and Worley (2014) create a composite model of organizational culture comprising four major elements: artefacts, norms, espoused values and beliefs, and basic underlying assumptions. Artefacts are at the surface of organizational culture. They are perceived as the visible symbols of other, deeper cultural elements (Schein, 2010), and include any visible products of the organization: physical layouts and their style, rules and procedures, and the observable behaviour of people, such as dress code, language and emotional displays (Schein, 2010). Norms are at the second level of organizational culture. These are unwritten rules that guide people's behaviour in specific situations (Cummings and Worley, 2014). The next, deeper level is represented by values and beliefs, which include ideals, goals, aspirations and ideologies (Schein, 2010) that inform people about what is important and deserves attention in the organization's life (Cummings and Worley, 2014). Values and beliefs may or may not be congruent with behaviours and artefacts. Some espoused

values and beliefs are congruent with the basic underlying assumptions that guide people's performance, some are only part of the ideology or philosophy of the organization, and some others only support the organization's aspirations for the future (Schein, 2010). As shared values and beliefs are abstract and might be mutually contradictory, understanding the basic underlying assumptions can help decipher culture and predict people's behaviours more accurately. Basic assumptions are at the deepest level of organizational culture, and can be conceived of as unconscious, taken-for-granted suppositions on how issues should be tackled. Because of their fundamental role in underpinning people's behaviour, perceptions, and feelings in any situation, basic underlying assumptions are non-comfortable and non-debatable, and they are extremely difficult to track and change (Schein, 2010; Stokes et al., 2016).

Organizational culture guides people's thoughts and choices, and provides terms of reference for what is right and wrong doing about project-related knowledge and learning (Ajmal and Koskinen, 2008). Having recognized that there are various elements of culture that may affect knowledge transfer, in this study, six elements have been selected: trust, communication between employees, reward, leadership, learning and development, and organizational socialization.

### 2.1 Trust

Trust is the extent to which an individual is willing to associate and interact with others (Kumar, Rose, & Muijen, 2009). Trust is a potential determinant of transferring knowledge between individuals and organizations. A recent study by Rutten, Blass-Franken and Martin (2016) found significant differences in the level of knowledge sharing organizational situations where trust varies. The study showed that low level of trust results in less knowledge sharing (Rutten, Blass-Franken, & Martin, 2016). Martin (2000) indicates that the key elements of a knowledge culture are a climate of trust and openness in an environment where constant learning and experimentation are highly valued, appreciated, and supported.

### 2.2 Communication between employees

Communication also plays an important role in knowledge transfer (Ounjian & Carne, 1987). Communication creates the space for people to work together to achieve individual or collective organizational goals (Boshoff, 2008). McEvily, Perrone, and Zaheer (2003) suggest that improvement in knowledge transfer can be achieved through the openness of communication channels, social networks, and trust.



### 2.3 Reward

Reward is a measure of how well the organization recognizes employee performance with rewards (Janz & Prasarnphanich, 2003). Leonard-Barton (1995) points out that an organizational incentive system influences the path and the manner of knowledge circulation.

Hansen, Nohira, & Tierney, (1999) note that incentives, whether tangible or intangible, are an integral part of knowledge transfer process as they can motivate employees to share their knowledge they otherwise may hoard. Other researches also support with fact that rewards systems have positive effects on employees' knowledge transfer (Martín-Cruz, Martín-Pérez, & Trevilla-Cantero, 2009; Martín-Pérez et al., 2012)

### 2.4 Leadership

Leadership refers to the process of influencing others towards achieving some desired goals (Jong & Hartog, 2007). Kerr and Clegg (2007) see leaders as role models who may provide appropriate knowledge and network within and across boundaries and to create opportunities to transfer knowledge. The role of the upper level management to successfully run this knowledge transfer campaign is thus vital as people at the upper end make major decisions in allocating resources and time needed to coordinate knowledge management program (Von Krogh, 1998). Investigation by Donate and Sanchez de Pablo (2015) also revealed that leadership has substantial impact on knowledge transfer.

### 2.5 Learning and development

Learning and development orientation refers to the extent to which an organization is willing to encourage its members to learn and develop themselves for long-term success (Islam, Hasan, & Rahman, 2015). Learning and development is also a process in which organizations build, supplement and organize knowledge, and develop efficiency by improving collective skills of the workforces (Fiol & Lyles, 1985). Several authors (Yang, 2007a; Jones, Herschel, & Moesel, 2003) contend that there is a relationship between learning process and knowledge transfer.

### 2.6 Organisational socialisation

Organizational socialization has been receiving attention in the mainstream management research over the past two decades, particularly in relation to research on learning and knowledge sharing in the organizations (Danielson, 2004). Organisational socialisation refers to the process in which a person acquires and shares his or her knowledge, skills, and dispositions that make him or her a capable member of the organization (Brim & Wheeler, 1966). To achieve more favorable outcome of knowledge sharing, organisations should provide greater emphasis on organisational socialisation (Islam, Ahmad, & Mahtab, 2010). A study by Islam et al. (2015) indicates that

appropriate organizational culture creates socialization and in turn increases knowledge transfer. Socialization also brings employees together and increases their tendencies to transfer knowledge within the organisational setting.

## 2 RESEARCH METHODOLOGY

The study utilized a quantitative approach and random sampling method in the administration of the structured questionnaires used for the collection of data. The professionals who were sampled are Architects, Builders, Engineers, Quantity surveyors and estate surveyors and valuers practicing within Abuja, Nigeria. The professionals sampled were from both the public sectors and the private sectors in Abuja. Abuja was chosen for the study based on the premise that it is the administrative center of the country with lots of construction and consultancy firms having their head office or branches in the country's capital (Aje et al., 2015). Abuja is one of the metropolitan cities in Nigeria with the one of the highest population of construction professionals working with either in constructing or consulting firms within the built environment (Saidu and Shakantu, 2016). Abuja also houses the ministry of works and housing.

Data were collected through self-administration of questionnaires by the researchers using random sampling techniques to the target respondents. Prior to the actual administration of the final draft of the questionnaire, the initial draft was pre-tested through a pilot study to ascertain the clarity, effectiveness and how intelligible the questionnaire were. This is to ensure that the respondents understands the contents of the questionnaire; and whether they have the ability and willingness to answer the question.

136 questionnaires were retrieved out of the 380 administered, this represent an effective response rate is 35.79%. This response rate is higher than 20-30% for questionnaire surveys suggested by Akintoye (2000), for construction management studies. The data gathered was analysed using percentage, and Relative Importance index, RII. Percentage was used to analyze the general information of the respondents. RII was used in ranking the influences of organizational culture on effective transfer of knowledge in construction firms within the study area. The reliability index for the collected data is 0.806. This means the research instrument is reliable.

### 3.1 RESULTS AND DISCUSSIONS

#### 3.1.1 Respondents general information

The analysis of the respondents' information revealed that 59.56% are work with the private sector organization and 40.44% work with the public sector organisations. In



terms of professional representations, 14.71% are architects and builders each, 22.71% are engineers, and 27.94% are quantity surveyors and 19.85% for estate valuers. Moreover, 27.94% of the respondents had a NCE/OND, 14.71% of the respondents had a HND, 29.41% had a Bsc/B.tech degree, and 11.76% had a master's degree, and none of them had a doctoral degree. Also, the average year of work experience of the respondents is 9.0years. The result in this section shows that professionals are experienced enough and have the requisite experience to take active part and give reliable information on the subject of this study

### 3.2 Influences of Organizational Culture On Effective Transfer Of Knowledge In Construction Firms

The result of the analysis of the respondents' responses regarding the influence of organizational culture on effective transfer of knowledge in construction firms. It can be seen that, on overall, the most influencing organizational culture are; I feel insecure when I have to share my ideas and lessons (RII=0.95), I experience Language and cultural barriers (RII=0.90), I trust my manager and colleagues when exchanging knowledge (RII=0.83), Knowledge management is not a priority in the firm (RII=0.83), and I lack the necessary communication skills to express my ideas (RII=0.80).

This result is in support of the findings of Schein (2010), Stokes et al., (2016). It was posited that the fundamental role in underpinning people's behaviour, perceptions, and feelings in any situation, basic underlying assumptions are non-comfortable and non-debatable, and they are extremely difficult to track and change (Schein, 2010; Stokes et al., 2016). Ajmal and Koskinen (2008) emphasized that the role of Organizational culture in guiding peoples thoughts and choices, and provides terms of reference for what is right and wrong doing about project-related knowledge and learning. Communication among employees is critical to the success of knowledge transfer. According to Ounjian and carne (1987), communication also plays an important role in knowledge transfer.

Trust is the extent to which an individual is willing to associate and interact with others (Kumar et al., 2009). One of the potential determinants of transferring knowledge is trust. Rutten et al. (2016) found that low level of trust results in less knowledge. According to Martin (2000), in an environment where regular learning and experimentation are highly valued, appreciated, and

supported, trust is key. Thus, elements of a knowledge culture thrive in a climate of trust and openness.

The leadership style of the top management also play a role, as leaders are seen as role models. VonKrogh (1998) posit that the role of the upper level management to successfully run knowledge transfer campaign is thus vital as people at the upper end make major decisions in allocating resources and time needed to coordinate knowledge management program.

### 4. CONCLUSION AND RECOMMENDATIONS

The set out to examine the influences of organisational culture on effective transfer of knowledge in construction firms in Abuja, and has been able to determine the influence of organizational culture on knowledge transfer in construction firms.

It is recommends that the employees' confidences should be boosted to curb job insecurity and knowledge management should be made a priority in the organizations

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