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**key HRM activities in Knowledge management process: A case study in a family company**

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Abstract

The paper presents a case study from a small family construction company, where Knowledge management and knowledge management tools are applied according to the abilities of the staff. The company emphasizes the importance of adaptation of a new employee into his/her new role and, above all, into the culture, because the experience in the long run proved that it is above all the process of onboarding that contributes to promoting knowledge-sharing behavior.

Keywords

Knowledge; knowledge management; onboarding; small family enterprise

Introduction

Construction industry is knowledge-intensive and hence much research concerning Knowledge management was conducted in construction companies. The research topics varied from technology, techniques, management organization, tools and levels. In the early stages, Knowledge-Based Systems were developed, such as construction planning, construction-site organization or decision-making supports [10]. After that management was in the center of research, such as leadership skills, motivation, attitudes etc. Later on, knowledge generation through databases, semantic webs etc. gained attention. Then tacit knowledge, learning, sharing, transferring became a major issue, which then immediately focused on pragmatic issues such as solving specific problems using knowledge management tools rather than how to manage knowledge. Building Information Modelling (BIM) was developed and became used all over the world. [10, 6]

Then the research focused on social motivation for knowledge sharing, personality traits for knowledge acquisition, and social networks for collaboration together with the net design and relationships in the supply chain; even information technologies for collaborative knowledge management among multi-organizations were developed. [10, 4]

Nowadays the research has slightly changed the objective and focused not on macro issues such as KM throughout the whole company or between organizations in the supply chain, but rather on fragmented, specialized topics specific for construction, such as knowledge resources, tacit knowledge, risk knowledge, and health and safety knowledge [10].

Yu and Yang [10] suggest that future research should focus more on niches in current research, such as special engineering fields (like green construction, post-disaster reconstruction, bridges, traffic control or other special constructions), and above all, individual knowledge management.

Hence, this article addresses the issue of knowledge management in the process of adaptation of a new employee. The onboarding process is critical for all consequent knowledge management activities. Without mastered adaptation, the company cannot expect to get a perfect knowledge worker who would be loyal, sharing, proactive etc. [1, p. 395-400]. Learning about role expectations and organizational culture should be in the center of onboarding.

As Briscoe and Kellogg [2] proved in their research, new employees with little prior experience are more open and receptive to learning new skills and practices, while as their career continues, they are less open to learning. However, hiring skilled professionals means gaining new skills for the company.

Kidwell et al. [8] researched family firms and their HRM practices, and found out that the family culture that created the culture of the company continues even if the company hires more non-family members into important positions. Norms and values, interactions with employees, strategies, learning, knowledge or status, simply saying the culture of the company, endures as is deeply rooted in every member of the family and the staff. However, we can speculate whether it can also be affected by the fact that candidates are attracted by a specific culture and thus it is the question of what came first, the chicken or the egg.

Methodology

This paper used a case study for illustration of the HR activities in a small family company that influence knowledge management. The case study describes a company, non-structured interviews with two representatives of the firm were held in the company, author´s observations are also included but in a small scale.

Case study

This case study was conducted in a small family company comprising of 35 employees, the owner, his son and the son´s partner (fiancée). The firm specializes in wooden constructions of small to medium sized family detached houses. The firm can deliver either rough constructions or turnkey constructions – from utilities, baseplates, etc. up to garages and house equipment.

Background

The owner has founded the firm 20 years ago and now would like to pass the business on to his son, who has finished his studies in Civil engineering 8 years ago. The son worked for few other companies, too, and though in the same industry, in completely different business (underground tunnel excavation, mainly abroad). The son was a specialist, so he was rather an independent worker, and has never really led any team. The son has a girlfriend (fiancée), who is very young, beautiful, in the last year of university studies heading for master´s degree in economics. During her studies, she fulfilled one one-semester course on Human Resource Management, which she found interesting but admits did not find useful when studying it. Now she has changed her mind and “would like to return the time back” and study harder, and she also became a fan of current approaches to management. She is a very open-minded modern girl who is ready to implement almost any theoretical knowledge into practice, but at the same time she admits she is not experienced at all and thus is conscious and afraid to make a mistake. She always wants to discuss her ideas with the experienced owner before affecting either anyone or any process. According to the author´s observations, she is popular among the staff for being nice and helpful, but she is underestimated concerning her education, competencies, and knowledge. She admits the workers think she is too young and unskilled to become a member of the management, but being talkative, she can easily negotiate with anyone.

It should be noted that the owner was brilliant in selecting the members of the family, who are capable to work in the business, and not employing those who could not contribute as much (for example his wife and his daughter, who both are teachers in a pre-school). This is how he avoided the situation of paying for “blood”, for nothing, which could be perceived as demotivating for employees from outside of the family. The owner also has an inherited house, a middle-class car, simply saying he does not irritate his staff by conceited status symbols.

The company is on one hand open to new ideas, but on the other hand the staff are resistant to any major change. They have a very positive experience with university students, because some four years ago a student has researched motivation, satisfaction and employee benefits in the company, and found out that employees missed “company-family events”, some benefits, informal communication with the boss (i. e. the owner), and above all, safety of employment. She suggested to rethink the policy of seasonal contracts and turning them into permanent full-time jobs with lower wages with bonuses, which was accepted by half of the seasonal workers. She further suggested to offer more benefits with effects in the long run such as pension insurance, which was completely contrary to owner´s expectations that the workers don´t think about the future and would prefer prompt consumption to deferred yields. So, the owner launched a payroll that shows everything, every single figure concerning the wages, with understandable explanations, not just insurance and net income. Every worker can see his or her gross income, taxes, social and health insurance, insurance paid by the company, money spent on food vouchers, plus the benefits (and of course, for many of them minus alimony and deductions as a result of a court order). All of them were surprised. Furthermore, the owner was forced to remember that the staff values above all the informal and family-like atmosphere in his company, so he went to see the staff more often – without any special aim, just to talk, showing interest in every one of them, just as he has done before. The son with his fiancée agreed to make only two company-family events a year, so that it would support the informal atmosphere and at the same time it would not become an obligation: a Christmas party and a “Holidays-welcoming party”, even though the latter is held the second last weekend in June, which is usually a peak season for the company. The owner admits that with a little more expenses he received more productivity, better atmosphere and higher loyalty in the terms of negligible turnover of staff. The company did not count expenditures on advertising, hiring, training etc. of seasonal workers before, and they did not want the author to revise the costs, so a financial proof is missing. It can only be deduced from growing revenues, which can, however, be also caused by more fulfilled projects.

Nevertheless, higher satisfaction, motivation, better performance and enhanced family-like atmosphere means that the owner can request extra work from time to time, and one of his special wishes was to launch knowledge management processes and tools into his company (besides launching new technologies often, of course). Though this attempt has failed in terms of complex system, some tools proved to work out, and were added those that were already used without the knowledge they were knowledge management tools.

The company would like to get and advantage from the current situation in the Czech Republic – when the price of apartments in Prague rose sharply last year and when the mortgage conditions changed so that people have to have higher savings at the beginning. Though the prices of the company rose, too, still it did not rise as much. However, growing means hiring new staff. The owner considers hiring foreigners as a pure time-consuming bureaucracy with negative effects on the current team, so he refuses to actively look for people abroad. There are a few men from Slovakia (who are not perceived as foreigners, actually) and four Ukrainians in the company, but they were hired altogether as a complete team with their own teamleader, and the whole team has already worked together before in the Czech Republic for another company, and the owner has known them before. Though they do not have their families here with them, they do not tend to copy the negative behavior of other “single” men, such as alcohol abuse, bad working habits, low quality of work, not keeping the safety rules etc.

Managing knowledge

As the management of the company likes going to fairs, conferences, or other events where they get information about news in their branch, because they say there is a new technology or new demands of the government or new demands from the customers almost every half a year, they need to keep up-to date in order to stay competitive. However, they don´t attempt to be competitive in terms of innovation or inventions, they want to keep their competitive advantage in the price – quality ratio and solid reputation. So, the owner has learned about the trend of tracking information within the company several years ago, and since one of his site-manager was about to leave the company for old-age pension, the owner wanted to replace him and, at the same time, to keep his knowledge and skills in the company. Though there was a planned succession for a shift foremaster, the owner doubted he would be as perfect as the current one. There was no attempt to find a site-manager on the external labor market, due to anticipated higher demands on wages and either no experience, or experience from competing companies, which the owner did not perceive as strategic. So the owner wanted his current old site-manager to both train the foremaster and at the same time to capture as much of his knowledge in written form as he can handle (i. e. explicit knowledge, and according to the SECI model, externalization, i. e. turning tacit knowledge into explicit). However, it has turned out to be counterproductive. The foremaster was very smart in everyday training, mastered reading technical drawing documentation on the site, learned how to manage the economic part of a project, learned tips and tricks how to lead, motivate, control the team, how to delegate tasks, how to deal with customers. But all this happened during the first stage, after he got to know he was going to be promoted. When the request for capturing knowledge appeared, he began to select information into two groups: what he will definitely use in the near future, and what he may probably use sometime, perhaps not at all. The latter will be recorded by someone else, and will be kept in the company, so he will have access to the information any time, so why should he bother with currently useless information? And also the site-manager had a real problem. He was good in explaining, training, leading, but he was extremely poor in writing. He had never been forced to think of Czech grammar rules since he left school, and now he perceived that as very stressful. The fiancée showed the author some of the writings, and it was a disaster (no logical structure, overwhelming with details – moreover, the details were subject to become obsolete in time, grammar mistakes everywhere, more like written phonetic form, in a nutshell, how perfect the site-manager was in explaining in words, that he lacked the writing competence).

In academic words, the company applies the strategy of personified (not codified) approach to managing tacit (not explicit) knowledge, and the company cannot be defined as learning organization because the lack of formal learning.

The site-manager admitted that he was motivated to pass his knowledge because he felt somehow rejuvenated and valued by the company and positively rewarded by peers, as was suggested in a research by Minnick et al. [9]. However, he was also frustrated by promised monetary remuneration for filling the database, which he apparently could not make. In accordance with Hansen et al. [5], the site-manager needed different reward system in order to share his knowledge. Nevertheless, he was given part of the money when retired, anyways. The new site-manager, though he is perceived as very good in his new position, is willing to advice his team, but seems unwilling to be advised. He has never asked up to now for the former site-manager´s notes. The only person with informal authority is the owner for him. Owner´s son is young and the fiancée is a woman, we can only speculate whether this plays certain role, but these factors are mentioned in a research by Javernick-Will [7].

Knowledge management tools

The company has tried to launch several knowledge management tools in the past, some of them did not work out very well, but some did.

What did not work in the past: capturing knowledge in any written form, beginning with site-manager´s notes, intranet database of fulfilled projects with key features such as timeframe, budget, site-manager and team who worked on it, and ending with either extended Construction Daily Site Diary or just shared site diaries. The staff, including foremasters and site-managers, did their best to use all these tools only because they wanted to fulfill the owner´s wishes (because they quite like him), but they did not find it useful and so they slowly but definitely quit using it, both gaining information and contributing notes.

What did work out: especially three means of knowledge management became a part of everyday routine: 1 mobile phones, 2. notice-boards, and 3. AAR.

Mobile phones: the owner was offered a very advantageous offer from a mobile operator to buy smartphones with unlimited calling, text message service and 5 GB data pack for everybody in the company (the offer is valid for members of workers´ families, too, but they have to pay for the tariff themselves). So he turned a former perquisite into a common benefit, and it has showed that since the people are not limited by minutes or data, they do not hesitate to make a phone call and ask for everything if they are not sure. Most of the staff created groups and share photos and even videos via WhatsApp. This was actually not the primary intention of the owner, he only wanted to launch a new benefit. By now, the owner has also understood that especially young workers, who share pictures and videos from work on their private Facebook site, do not do that with bad intentions in order to harm the company or reveal sensitive information, but rather to show off in their net of friends – and he understood that in the moment when one of his workers recommended a friend to a vacancy within the company.

Notice-boards: though this may be perceived as obsolete or ridiculous in the Czech cultural environment, it apparently works in this particular company. The notice-board is placed next to the owner´s office, on a way to garages, in a “kitchen” where the workers can make coffee or so, in smoking area – so every soul in the company goes there at least once a day. Formerly there were placed information on planned projects, last years´ revenue of the company etc., which was not very interesting. Then the owner, in accordance with his new knowledge management knowledge, filled it with information about people: e.g. Honza will go to this specialized training, owner will go to that conference, etc., plus once in a while actualized information about colleagues: Honza is educated in XY, has these competencies and skills, (“oh gosh, we will have to revise it due to GDPR (General Data Protection Regulation)”) etc. Nowadays the fiancée does the notice-board news, continues with promoting knowledge sharing, added list of staff with photos and phone numbers, plus gives information on everything – from broken cars, closed Lidl shop in the street, tips on other shops, planned celebrations in the company, planned meetings of managers, site-managers, foremasters etc., and even she puts personal information (such as “Vilém´s grand-daughter is going to the first grade at school in September – good luck! – Vilém will have a day off”).

AAR = After Action Review, which is actually a form of a regular feedback but with formal structure. Foremasters usually do it naturally, as informal feedback on the spot, but now they are given some fifteen minutes a day to really talk to the whole team on the site, and they found it very useful. The site-manager complained at the beginning that he is too short of time to do this, but the foremasters required him to do so, and moreover, they do not perceive it as an interference in their formal power, because the foremen solve rather operative issues and behavior and details, while the site-manager focuses on plan, reality, differences between plan and reality, and what can be deduced from it. AAR really works very well in this company.

Conclusion and discussions

Research papers on Knowledge Management suggest that future research should focus more on micro issues rather than macro issues in managing knowledge. Research in Human Resource Management suggests that

The aim of this article was to present a case study that would either give an example of managing knowledge in a small company or reveal crucial moments in KM for SMEs, and it was found out that many advices simply do not work in small companies. Apparently it is the process of adaptation of employees in their new jobs (either new in the company or new to higher position), some kind of mentoring or training for the job, and especially training in sharing knowledge in the early stages of employment in the company. If the company culture promotes knowledge sharing and if the new employee is fully integrated into the company culture, he will continue with such a behavior during his operation in the company.

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