



Organizational culture and knowledge transfer in project-based organizations: Theoretical insights from a Chinese construction firm ☆

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Abstract

We conducted an empirical investigation of the impact that three main elements of organizational culture – artifacts, norms, and shared beliefs – have on the transfer of knowledge across projects in a project-based organization. Employing a single case study research design, we collected and analyzed rich and detailed information from documentation, archival data, and in-depth semistructured interviews with very experienced project managers of a Chinese construction firm. Our findings advance extant research on how the interplay between corporate-level organizational culture and cultural elements at lower organizational levels influences individual choices on (1) which types of knowledge are most important to transfer, (2) under which conditions knowledge may be shared or hoarded, and (3) the extent to which it is acceptable to share or hoard knowledge. The study also contributes to the literature on the legitimacy of knowledge by showing how organizational culture influences people's perceptions of “knowledge authority” and shapes their preferences for specific knowledge transfer mechanisms.

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1. Introduction

The project-based organization (PBO) is an organizational form whereby projects are the primary units for coordinating and integrating production and innovation (Hobday, 2000; Lundin and Söderholm, 1995). By leveraging the temporary and unique character of projects, PBOs align and realign their structures, capabilities and strategies to foster innovation (Keegan and Turner, 2002) and fulfill the needs of new customers and markets (DeFillippi and Arthur, 1998; Gann and Salter, 2000; Hobday, 2000). Over the past decade, scholars

have increasingly sought to understand how PBOs achieve sustained competitive advantage, and what theoretical implications this may have for strategic management research in general (Cattani et al., 2011; DeFillippi and Arthur, 1998; Whitley, 2006). In particular, increasing attention has been paid to the PBO's ability to leverage learning and reusing knowledge across projects (Pemsel and Müller, 2012; Pemsel and Wiewiora, 2013; Sense, 2004, 2007). In a knowledge-based perspective, organizational knowledge is the firm's main strategic resource and the basis for competitive success (Grant, 1996; Kogut and Zander, 1992; Spender, 1996; Spender and Grant, 1996; Zander and Kogut, 1995). The ability to create, manage, and leverage knowledge assets systematically can contribute substantially to the achievement of long-term goals (De Long and Fahey, 2000), and firms that are particularly successful at transferring and reusing knowledge internally are more likely to attain sustained competitive advantage (Argote and Ingram, 2000). But although the

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benefits of knowledge transfer in project-based settings have long been recognized (Ajmal and Koskinen, 2008; Pemsel and Wiewiora, 2013), the effective reutilization of knowledge within and across projects still faces challenges and difficulties in practice (Bartsch et al., 2013).

Many scholars agree that one of the biggest challenges to knowledge transfer in projects is posed by the organization's culture (Ajmal and Koskinen, 2008; Wiewiora et al., 2013). We know that organizational culture influences project teams' decisions on whether to share and exchange project-related knowledge (Ajmal and Koskinen, 2008), and it often limits the transfer of lessons learned and the emulation of innovative approaches (Eskerod and Skriver, 2007). However, a specific and complete understanding of how such influence takes place is still missing, and we do not know what role each of the fundamental elements of an organization's culture play in the process. To start tackling this research problem, we asked the following question: *How do the different elements of organizational culture influence the transfer of knowledge in PBOs?*

We adopted a single case study research design to investigate the knowledge transfer activities carried out by a large Chinese PBO. To triangulate extensive and detailed information from multiple sources and fully exploit the richness and depth of the case study design (Yin, 2013), we collected and analyzed data in the form of interviews, documents, and archives. Data collection and analysis proceeded concomitant and intertwined through several rounds of constant comparison of the collected data and theoretical sampling of new data (Corbin and Strauss, 2014; Glaser and Strauss, 1967). This enabled us to tease out and study separately three main elements of organizational culture: artifacts, norms and shared beliefs. We found that each of these elements exerts a strong influence on a number of aspects of the transfer of knowledge across projects, but that such influence is multifaceted and often contradictory.

Our findings contribute to deepen our understanding of the relationship between corporate-level organizational culture and cultural elements at lower organizational levels, including the professional cultures and subcultures that operate in projects and subsidiaries (Ajmal et al., 2009; Ajmal and Koskinen, 2008; De Long and Fahey, 2000). More specifically, we find that a subtle interplay between cultural elements at various organizational levels determines not only (1) which types of knowledge are most important to share, transfer and leverage, but also (2) the extent to which knowledge can be shared or hoarded, and (3) the specific circumstances in which sharing or hoarding should occur. Although knowledge hoarding issues have often been identified in project environments (Evans et al., 2015; Hall and Sapsed, 2005; Issa and Haddad, 2008), we have found that organizational culture may confer on experienced mentors within projects a unique position of authority that enables them to select the knowledge that is leveraged and shared, and adopt widely accepted and tolerated knowledge-hoarding behaviors. Finally, our study advances extant research on the legitimacy of knowledge (De Long and Fahey, 2000; Heusinkveld and Reijers, 2009; Hudson and Wong-Mingji, 2001) by suggesting that the combined influence of national culture and organizational culture may give a legitimate identity to knowledge that is closely

tied to the formal authority of the firm, and influence people's preference as to which formal or informal knowledge transfer mechanisms are to be enacted.

2. Theoretical background

2.1. Organizational knowledge and its transfer across projects

Knowledge is a crucial resource of organizations, and its systematic transfer and reutilization underpins higher performance and sustained competitive advantage (Argote, 1999; Spender, 1996; Spender and Grant, 1996; Zander and Kogut, 1995). In project-based settings, the transfer of organizational knowledge across projects provides the opportunity to exploit and leverage valuable lessons learned, avoid the repetition of mistakes (Almeida and Soares, 2014), and improve overall project performance (Landaeta, 2008). In their seminal work, Argote and Ingram (2000) define knowledge transfer as the process through which the performance of one unit – a group, department, or division – is affected by the experience of another. In particular, the authors use the term “knowledge reservoirs” to connote that knowledge can be stored for future use. Such stored knowledge can be embedded in individual members of the organization, in its tools, technologies, and tasks, as well as the networks formed by variable combinations of such members, tools, technologies, and tasks. Therefore, knowledge can be transferred by moving such reservoirs and networks, as it occurs when individuals are reallocated across units, or when technologies and routines developed in an organization are adopted by another. Alternatively, the transfer can be performed by modifying the knowledge reservoirs and networks at the recipient unit, especially through initiatives of internal communication and training (Argote, 2012; Argote and Ingram, 2000; Argote et al., 2003; Argote and Miron-Spektor, 2011).

Typically, the transfer of knowledge presents difficulties and challenges (Kane et al., 2005), because the knowledge reservoirs and networks comprise complex interactions that cannot be easily reproduced at the recipient context (Argote and Ingram, 2000). Similarly, both individual- and group-level characteristics, such as motivations or absorptive capacity (Cohen and Levinthal, 1990; Zahra and George, 2002), may affect the transfer performed via internal communication and training initiatives (Argote and Ingram, 2000). In PBOs, the spatial and temporal setting in which projects are executed constitutes the context for the transfer (Kamara et al., 2008), and the fact that projects may be carried out in parallel or in sequence determines whether and when the transfer occurs. Knowledge can be transferred across projects that run in parallel via job rotation and mentoring, without the intervention of organization-level transfer mechanisms; whereas the transfer between projects that are delivered in sequence is usually mediated by knowledge bases and structures maintained at the firm level (Kamara et al., 2008). In either case, various hindrances to the transfer often arise from the transient nature of projects and the fact that the primary focus of project teams is usually on time, cost, and quality, rather than on sharing lessons learned (Pemsel and Wiewiora, 2013). In fact, the completion of the project usually puts an end to collective

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