

Managerial Knowledge Transfer in Construction Sector

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Objectives

- The adoption of managerial practices and The dynamics of localization strategies
- The key channels
- The determinants
- Obstacles to managerial knowledge transfer

Methodology and data collection

- In-depth qualitative interviews
- First round: in 2013, Cyrielle and Fu (2015)
- Second round: in 2015, the same companies
 - 6 firms in construction sector: 3 Chinese MNEs and 3 EU MNEs
 - 12 interviews: 2 interviews for each firm

Characteristics of Chinese construction MNEs in Africa

- SOEs with a growing number of private investors
- Inexperienced, less institutionalized (Henley et al. 2008)
- Low level of local content (Burke and Corkin, 2006; Alden and Davies, 2006)
- Limited foreign language skills and a wide cultural gap between Chinese and Africans (Gu 2009; Haglund 2009; Jauch 2011)

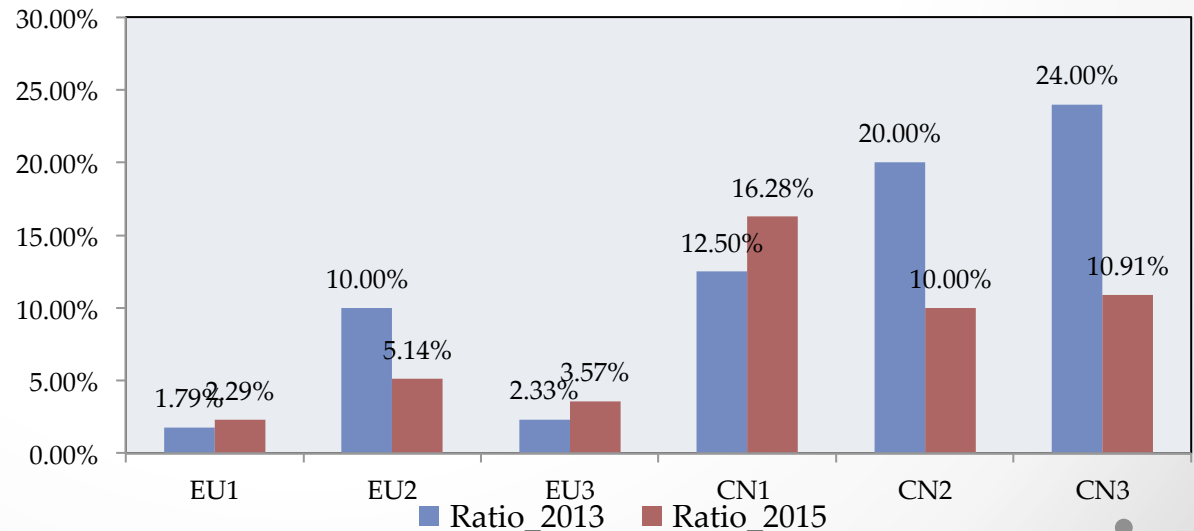
Localisation to foster knowledge transfer

- **Limited local linkages**
 - Suppliers, clients, and subcontractors etc.
- **Spillovers through labour mobility and social networks**
 - Ratio of local/foreign employment
 - Position matters

Ghanaian take the management position

	2013	2015
EU1	Yes	Yes
EU2	Yes	Yes
EU3	Yes	Yes
CN1	Yes	Yes
CN2	No	Yes
CN3	No	Yes

Ratio of foreign/local employment: China and EU construction MNEs



Localisation to foster knowledge transfer

- **Cross-cultural management difficulties and poor labour relations in Chinese firms**
 - Linguistic barriers: new graduates, Chinese speaking Ghanaian, translator
 - Culture clash: team building activities

Construction Companies	Language barriers		Culture barriers	
	2013	2015	2013	2015
EU1	1	1	1	1
EU2	0	0	0	0
EU3	0	0	0	0
CN1	4	3	5	3
CN2	4	2	2	1
CN3	3	2	3	2