A STUDY ON CULTURAL PRACTICES IN CONSTRUCTION CONTRACTING ORGANIZATIONS IN MALAYSIA

H. Abdul-Rahman[1], Wang Chen[2], Halimatun.Othman[3]

[1,2,3]Center of Project and Facilities Management (PFM), Faculty of Built Environment, University of Malaya, 50603 Kuala Lumpur, Malaysia. E-mail: [1]arhamzah@um.edu.my, [2]derekisleon@gmail.com

Abstract

This paper has investigated the cultural practices influencing business performance and integrity in selected Malaysian contractors and has discussed culture related issues to improve the management of cultural capitals in the Malaysian construction industry. Issues of current enterprise culture and applicable cultural practices, leadership styles, enterprise axiology and integrity, cultural practices and loyalty, and identification of organizational culture are discussed during the semi-structured interviews and questionnaire survey. Conclusions has been drawn that the people oriented and task oriented management style have a similar quantity of supporters in Malaysian contractors. The integrity and profit are respectively identified as the enterprise axiology in the ethical and economic perspective. The monkey culture is considered as the most applicable type for the cultural practice and the current enterprise cultures applied in the Malaysian contractors are mostly positive to both the organizations and society.

Keywords: Cultural practice, Organization, Construction, Interview

1. Introduction

A number of publications [1, 2, 3, and 4] suggest that corporate culture influences an organization's performance. Executives and managers want to know how to manage corporate culture, how to influence or change it to obtain the best achievement in organizational performance [5]. If look into the group effectiveness and cultural capital, culture may be seen as an impediment to change or a variable to manipulate that will improve corporate effectiveness [6]. Successful companies are able to develop and maintain a culture that reinforces dedication to an enduring core ideology [7]. Sashkin [8] says that culture is the key to an organization's success. The success of Total Quality Management (TQM) in organizations is caused by creating a culture, a pattern of shared values and beliefs that encourages the commitment of all employees to the TQM goals of the organization. Burke and Litwin [9] argued that to have successful organizational change, culture change must be planned. Swaminathan's [10] noted that in an adverse environment, successful organizations were found to have a more effective collective learning process than those who fail. Culture determines the actions and outlook of individuals and corporations. All behavior—greetings,

table manners, sleeping habits; how people ride an escalator, run a meeting, or reach a consensus—is part of a culture. These forms of behavior are transmitted from generation to generation and evolve over time [11].

Some corporations showed more competitive advantage than others and there were organizational cultural differences between them. Literature reviews [12, 13, 14, and 15] showed that the knowledge management couldn't exist without a conductive organizational culture. More interestingly, it has been noted that chief knowledge officers of many organizations spend much time and effort on building efficient organizational culture (www.cio.com). Knowledge management relates to soft competencies to build an enterprise culture. Such an environment encourages and improves communication once it exists.

According to Wang & Abdul-Rahman [16], the cultural capitals were given indicated as having played a significant role in the current construction project activities. Malaysian contractors have similar views about the following two items: 1) project cultural atmosphere and staff behavior rule are unimportant to loyalty, and 2) family-like project and project axiology are very important to most of the construction project control dimensions. The statistical findings arouse the researcher's interests to conduct a further study which consists of seventeen semi-structured interviews and a questionnaire survey with 32 respondents. In addition, some issues that have not been concerned based on Wang & Abdul-Rahman's [16] study, which namely: 1) people oriented management style and task oriented management style, 2) the possibilities and difficulties for a particular type of cultural capital to be applied in a construction project to enhance the affectivity and efficiency and 3) the difficulties to identify a working group's organizational culture, have been also discussed in the interviews and questionnaire survey.

2. Objectives

The main objectives of the study are:
1) To investigate the factors or practices that able to affect business performance and integrity from selected Malaysian contractors' perception.
2) To discuss culture related issues with the Malaysian construction contractors and give possible advice for the application or future improvement of the management of cultural capitals in the Malaysian construction industry.

3. Research methodology

A thorough literature review was conducted to search and identify cultural factors in general organizations and the method of semi-structured interview was employed in this study because it was able to obtain relevant information more easily than the structured interview, and it gives the freedom to explore general views or opinions in more detail, which is necessary in this study [17, 18]. Seventeen semi-structured interviews were conducted. These interviewees were staff selected from local contractor organizations. Sixteen of them were male and another

one was a female. Eleven of the interviewees had at least six years on-site experience and were working in construction projects while the other six with at least eight years on-site experience were working in their respective headquarters. The interviewees comprised of five project managers, four site engineers, two site supervisors, three company vice-managers, two department managers and one staff working for the technical department in headquarter.

The method of structured interview has not been employed because it could not be used to explore people's reason for their views or feeling about an issue. Disadvantages of structured interview include minimal responses from the interviewees and that the feedback is easily influenced by the interviewees' age, gender, culture or ethnicity. As an addition, expertise is required to design questionnaires used in a structured interview and this interview method can be costly to achieve a representative response [17, 18, and 19]. The case study method has also not been employed in this research because it is time consuming and labor intensive. Furthermore, some sees case study as less rigorous and it can be subjective with "wrong" evaluators [20, 21, 22, and 23].

Besides the interviews, a questionnaire survey has also been conducted to study the cultural practices in the Malaysian construction industry. The questionnaires have been sent to a total of 400 contracting organizations and 32 valid responses from them have been involved in the analysis. The leadership style, performance satisfaction, and relationship between cultural practices and operational integrity within these contracting organizations have been identified and discussed in the findings.

4. Findings from interviews and questionnaire survey

4.1 Enterprise culture and applicable cultural practices

Figure 1 presented the types of applicable cultural practices ranked by the Malaysian contractors in the questionnaire survey, the monkey culture which is epitomizing teamwork and loyalty, is ranked as the highest and the dragon culture, which combines the disparate and frequently beneficent attributes of lesser beings into one of extraordinary capability and power, is ranked as the lowest. Table 1 provides the descriptions for the five types of cultural practices.
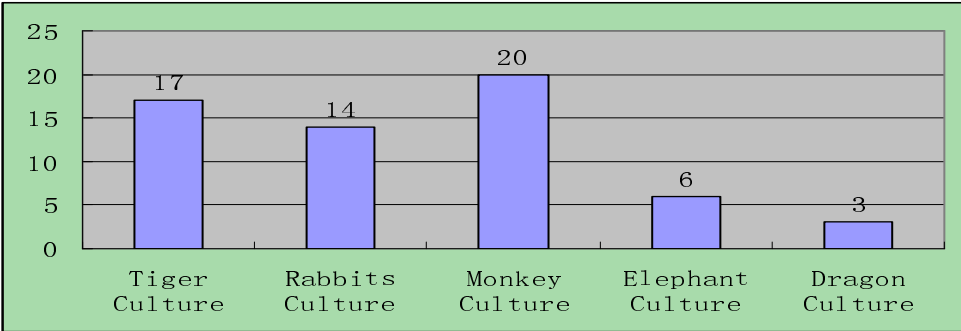

Figure 1: Applicable Cultural Practices

Table 1: Descriptions for Different Types of Cultural Practices

Types of Culture	Descriptions
Tiger Culture	achievement-oriented and competitive
Rabbits Culture	more flexible, creative and entrepreneurial
Monkey Culture	epitomizing teamwork and loyalty
Elephant Culture	strong hierarchies, organization and order
Dragon Culture	combines the disparate and frequently beneficent attributes of lesser beings into one of extraordinary capability and power

During interviews, the following question was discussed,

"Do you think there is an enterprise culture in your company?
If yes, please describe and elaborate. Should enterprise culture be inculcated and promoted in the local construction site? Please elaborate your response."

The innovation, quality, profit, safety, faith, contribution were the points mentioned most by the interviewees. Beside these, three interviewees stated their companies sparkplug to build a profitable union among staff, enterprise and clients like a triangle. Two of them mentioned that the increment of human resource is much more important than the increment of financial capital. Seven interviewees said their companies preferred the spirit of team work. All the interviewees agreed that it is important to promote their enterprise culture into local construction sites.

4.2 Leadership style: task oriented or people oriented

According to Wang & Abdul-Rahman [16], family-like project has outstanding importance to all the project control dimensions (quality, cost, schedule, safety, and loyalty) compared to the other cultural factors. Data collected through the questionnaire survey and interviews conducted in this study has reflected Wang & Abdul-Rahman' [16] findings. As indicated in Table 2 and Figure 2, there are two leadership styles have much more supporters than other styles within the Malaysian contractors. The two most applied leadership styles are 1) the decisive, aggressive, goal and action oriented, self-confident, energetic, optimistic, ready for changes and hardworking, and 2) diplomatic, tactful, calm, informal, reasonable and ready to help. If it is considered that the first style is more related to the task oriented and the second style is related to the people oriented, it could be found from the Figure 2 that either of them has a considerable supporting group.

The discussion based on the following questions that have been asked during the interviews provides some probable reasons for the above questionnaire findings:

"Is the management environment in your organization more like people oriented or task oriented?"
"Why does your company use the above style?"

"What are their advantages and shortcomings in the project control?"

Table 2: Leadership Style in Selected Malaysian Contractors

| Leadership Style	Score	Percentage
Decisive, aggressive, goal and action oriented, self-confident, energetic, optimistic, ready for changes and hardworking	20	40%
Diplomatic, tactful, calm, informal, reasonable and ready to help	14	28%
Getting status without competition, distributing power smoothly, and taking decisions collectively	5	10%
Very structured and have a clear-cut hierarchy	4	8%
Indistinct, vague, isolationist, intellectual and analytical	2	4%
Highly centralized, follow rigid rules and have clear divisions of labor	2	4%
The first among the equal, decentralized and democratic	1	2%
Others	2	4%
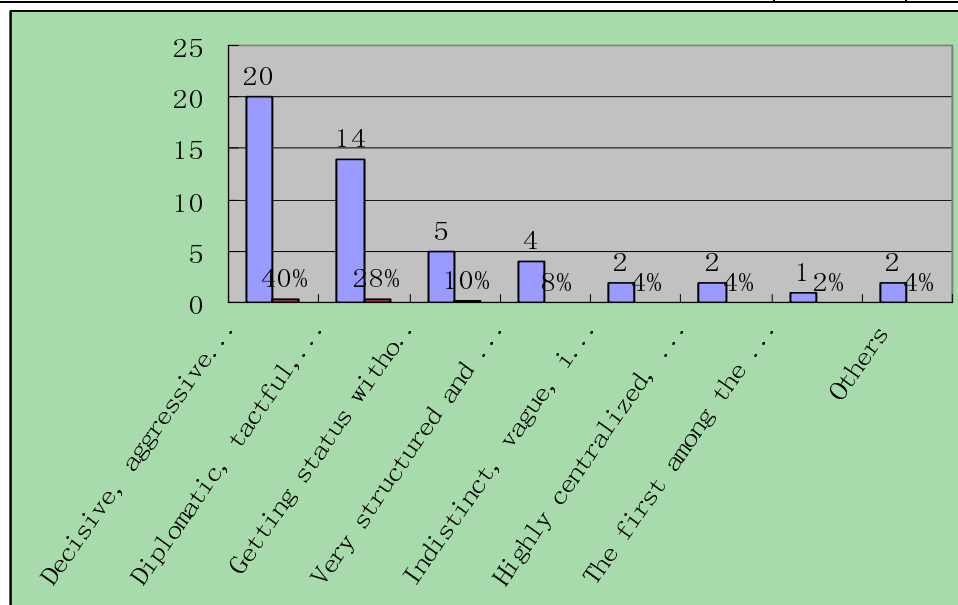
Figure 2: Leadership Style in Selected Malaysian Contractors

Only one out of seventeen interviewees stated that his company's management environment is task oriented. Sixteen interviewees felt it is difficult to define whether their respective companies use people oriented or task oriented management. However, the latter group prefers to have people oriented sense among their project team members and task oriented between the project team and their sub-contractors. Task oriented management can raise the efficiency and reduce delays in the productive operations but sometimes meets trouble among acquaintances. Most of time project team members have worked together in more than one project. Many knew each other well and do not want to give or receive orders from one another, or we can say, it is not necessary. This approach fits for the relationship with some sub-contractors who have worked together with the project team for several times. The outstanding shortcoming of the people oriented management is it depends much on the

member's self-discipline and it is better the members have a same objectives and similar values. Some interviewees advise that the project management style should not be too different from the culture and behavior style of the company, society, nation, region, and race no wonder the people oriented or task oriented was used. For example, if members were all born and grown in a task oriented environment, probably the loyalty for them meant more like receiving and giving orders in the nature of things. In a non-task oriented nation, maybe the people oriented style would treat loyalty as a prime concern.

4.3 Enterprise axiology and integrity

According to Wang & Abdul-Rahman [16], the project axiology was given an outstanding importance to all the project control dimensions (quality, cost, schedule, safety, and loyalty) compared to many other cultural factors. The following questions were asked in this study to seek reasons:

"What is your company's axiology? Axiology means interval value or ethic system."
"Do you like it? Why?"
"Do you think a positive enterprise axiology is important to a construction company?"
"What is the effect of the axiology to the construction project management?"

"Integrity" was mentioned by 15 interviewees when they talked about the axiology in their companies. "Integrity" includes: the guarantee of good quality to clients, the guarantee of safety to staff and labors, and the guarantee of payment to sub-contractors, etc. One interviewee said his company's axiology was serving the society. Another interviewee mentioned the balance of offering and reward. All of them felt their company's axiology was healthy and played a positive role in the production. All the interviewees agreed that in the real production, sometimes the supervisory system was not able to cope with all management details. Axiology can prevent people from doing some immorality things for illegal profit. To pursue a "correct" axiology is a contribution to the society and helpful to build a healthy environment in the construction industry. Interviewees were interested in discussing the word "axiology" itself that nine of them understand the axiology as "the original motivation of motivations". They link the concept into the truth of life and why we should be busy doing every thing. Interestingly, at the end of eleven interviews, the topic moved into religion.

The negative cultural practices influencing the integrity have been identified from the questionnaire survey. As indicated in the Table 3, all the studied six cultural practices were ranked as similarly negative, which could probably be considered that Malaysian contractors have similar identifications to the improper cultural practices.

Table 4 presents the important matters for an organization ranked by the selected Malaysian contractors during the questionnaire survey. It is indicated that "Making profit" is the top concerned matters for a construction company which has 20 or 20.83% supporters followed by "customer's satisfaction", "continuous reservoir of jobs in hand", and "keep operational cost to optimum and manageable" .

Table 3: Negative Cultural Practices to Integrity

Negative Cultural Practices	Score	Percentage
Cultural practice that does not give recognition to the ability, qualification, expertise and capability of the workers	17	17.17%
Cultural practice that not transparent	16	16.16%
Cultural practice that does not distinguish the quality of the work	15	15.15%
Cultural practice that gives an incorrect way of rewarding	13	13.13%
Cultural practice that includes too many hierarchy	11	11.11%
Cultural practice that contains a number of unwieldy administrative system and body of government officials	9	9.09%

Table 4: Most Important Matters for an Organization

Matters	Score	Percentage
Making profit	20	20.83%
Customer's satisfaction	17	17.71%
Continuous reservoir of jobs in hand	16	16.67%
Keep the operational cost to the optimum and manageable	15	15.63%
Rewards staff effectively in order to encourage efficient works	9	9.38%
Maintaining current market shares and penetrating into new	8	8.33%
Ability to maintain and minimize staff turnover	7	7.29%

From the above discussion, it could be probably considered that in the ethical perspective, Malaysian contractors' axiology is widely agreed to be keeping integrity while in the economic perspective, the axiology is to make profit. Situations when these two kinds of axiology conflict with each other have not been discussed in the questionnaire survey. However, some of the issues could find their reflections in the following question and answer during the interviews:

"Can a particular type or set of cultural capital be applied in a construction project for it to become effective and efficient?"

When interviewees were asked the above question, all of them gave a positive answer. Twelve interviewees mentioned even though cultural capital is helpful and applicable, it could only be put into schedule in big construction companies. Small contractors should focus on their profit. This opinion was disagreed by three project managers and two vice company managers. The three project managers and two vice company managers state that a company should have their clear cultural strategy in the beginning or at early stage and company's cultural strategy should be a flag during the organization's life cycle.

4.4 Cultural practices and loyalty

The project cultural atmosphere and the staff behavior rule were found insignificant to loyalty in Wang & Abdul-Rahman's [16] study. The following question was therefore asked to seek some possible reasons:

"In your opinion, why do many site management staffs feel that project cultural atmosphere and the staff behavior rule are insignificant to loyalty?"

Seven of the project managers and company vice-managers have a similar opinion that working staff in construction projects concerned more of the company's future and their promotion opportunities than the working atmosphere. Some others (4 site engineers, 2 site supervisors, a company vice-manager) stated if they could feel that they were noticed by the project leaders and they themselves are treated as important in this project, they will be loyal. Another three interviewees (2 department managers, 1 department staff) thought that it is important that the leader give workers/subordinates a feeling that better has a kind of special relationship with the leader besides the working relationship. The project cultural atmosphere and behavior rule were not considered as the key factors when talking about loyalty.

4.5 Identify the organizational culture

As a result from the questionnaire survey, Figure 3 indicated that there are 15 or 47% respondents could identify their organizational culture and the rest 16 or 50% respondents could not clearly identify a certain culture for their organization and only stated that it is diverse.
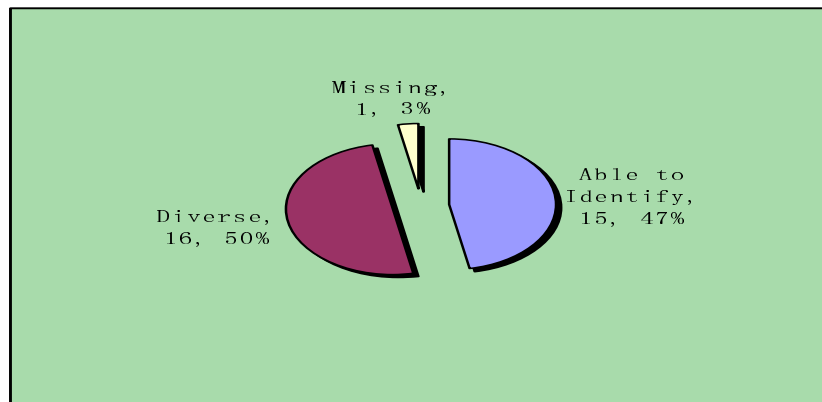

Figure 3: Able or not to identify the Organizational Culture

In order to find the reason why there are almost half of total respondents who have difficulties to determine their organizational culture, the following question is asked during the interviews:

"Do you think there is any difficulty in determining what culture an organization or project has?"

Fourteen out of seventeen interviewees believed that culture is based on the group members' habit and behavior. The bad habit and behavior are always restricted by regulations, and the encouraging habit and behavior become the main part of organization's culture. Three interviewees considered the organization as a non-representational concept but the members in it are idiographic. The organizational culture itself is an advanced rule or behavior, so it should always be encouraging. A good leader should capture the good behavior and habit from

members and define them into culture. Therefore, the difficulty in determining what culture an organization or project has is in determining what kinds of habit or behavior in this organization is helpful for the group, the society and the nation.

5. Conclusions and recommendations for future research

It could be probably concluded that the people oriented management style has as many supporters as the task oriented management style in Malaysian contractors. The monkey culture that is epitomizing teamwork and loyalty is considered as the most applicable type for the cultural practice. The difficulty in determining a group's culture is to determine the good habit or behavior in this organization that is helpful for the group, the society and the nation. Current enterprise cultures in the Malaysian contractors are mostly helpful for their organizations and society. The axiology widely agreed by Malaysian contractors could be classified into the ethical perspective, which is to keep integrity, and the economic perspective, which is to make profit. In future research, a critical study for these two perspectives might be conducted especially in the situation when they conflict with each other. The issues of cultural capitals' measure, diagnoses, evaluation, and case study may also be enhanced as a necessary step to apply the cultural capitals into real production. Research should probably be applied during organizations life cycle.

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