Keeping up with the Joneses: Social Contagion and Knowledge Acquisition in Irish Construction Professional Service Firms

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Construction industry in Ireland: undergoing a period of change and uncertainty.

Lack of focus on behavioural patterns affecting decision-making in construction firms, particularly knowledge acquisition (KA).

Social contagion (SC) theory asserts that the spread of ideas, attitudes, or behaviour patterns in a group is achieved through imitation and conformity.

Limited inquiry into SC theory within construction contexts, particularly within high knowledge intensive PSFs.

**Objective:** To explore the applicability of social contagion theory in knowledge acquisition in construction PSFS.

**Methodology:** Literature review and quantitative survey
Knowledge management is beneficial but no distinction as to how the system works (Carrillo & Chinowsky, 2006).

The processes of knowledge acquisition and application are key to firm growth and performance (Penrose, 1959), but there is no explicit reference to how this knowledge is acquired or strategic importance.

Egbu (2000): construction literature is still lacking as to whether managers evaluate the return on investment (ROI) of KA.

**Problem:** *We do not know why firms acquire knowledge for strategic decision-making.*

**Research question:** How does knowledge acquisition occur in construction PSFS?
Research purpose: (Saunders et al., 2009). Exploratory

Exploratory research: a means to discover “what is happening” and “to seek new insights” without investigating reasons (Robson, 2002).

Research Approach (Epistemology): Inductive approach

Research philosophy: Pragmatism (no single viewpoint can give the entire picture); there are multiple realities

Methodological choice: Quantitative method

Research strategy: Survey

Time horizon Cross-sectional studies make comparisons at a single point in time

Sampling: Purposive sampling

Research population: Firms within the SCSI
Slide-05-SC Theoretical model for knowledge acquisition

SOCIAL CONTAGION FRAMEWORK FOR NEW KNOWLEDGE ACQUISITION IN CPSFs

- New Knowledge Diffusion
- Burgeoning Effect
- Early Adoption phase
- Knowledge Homogenisation Phase

- Low Exclusivity
- Hard to differentiate services
- Cost leadership is major clout

New Knowledge

- Government Policy
- Economy
- Client Requirements
- Competition within the Industry
- Industry best practices

New Knowledge Diffusion

Communities of practice (e.g., RICS, ASCE, CIOB)

Knowledge leader

Contagion Effect

Clustering

Individual CPSFs with differentiated knowledge base

Contagion Effect

Eroding Differentiation

Knowledge Herding
Slide-06- Survey

- Pilot tested
- Ethical clearance sought from DIT Ethics team (Obtained)
- Sent out to 236 member firms of the Society of Chartered surveyors via Survey Monkey.
- Open for one month.
- Responses were anonymised and compliance with DIT Ethics guidelines and GDPR were strictly adhered to.
- Total responses received was 66 responses, being 27.69% of the entire sample.
### Knowledge acquisition metrics

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<tr>
<td>Our knowledge acquisition process is formal/deliberate and driven by top management</td>
<td>20.31%</td>
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<tr>
<td>Our knowledge acquisition process is formal/deliberate and driven by staff across the organisation</td>
<td>21.88%</td>
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<tr>
<td>Knowledge acquisition is emergent and driven by top management</td>
<td>17.19%</td>
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<tr>
<td>Knowledge acquisition is emergent and driven by staff across the organisation</td>
<td>10.94%</td>
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<tr>
<td>We have little consideration for tracking knowledge acquisition; we allow it evolve over time</td>
<td>29.69%</td>
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Slide-08- Implications for learning in CPSFS

- A considerable number of construction PSFs are in auto-pilot regarding knowledge acquisition i.e. just keeping up with the Joneses’.

- Understanding the SC effect on KA will allow managers to craft a clear knowledge acquisition plan for their strategy, rather than simply following the crowd.

- The ability to effectively manage the alignment, between KA and corporate strategy, could potentially provide the firm with a competitive advantage.

- It is hard to compete within PSFs if differentiation is eroded as it is the major competitive choice of most PSFs.
SC research is still underdeveloped in construction.

KA in construction PSFs is being influenced by SC.

Future research will focus on acquiring qualitative data to support data from the quantitative stream.

Potential for stage to be set for exploring social contagion in general strategic management research.

Social contagion presents a useful mechanism for explaining knowledge acquisition trends in highly skilled construction PSFs – Seriki & Murphy, 2018
Questions?

Thank you