

## Framework for Effective Management of Cultural Diversities in Construction Firms in Nigeria

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### Abstract

Construction firms all over the world have established cultures which have impact on the organisational performances. Harmonising workforce' cultural diversities with the organisation's culture is a milestone that many construction firms have found difficult to achieve. The study covered construction firms in the North-central geopolitical zone of Nigeria. The study is a desk research aimed at assessing current management framework with a view to identifying and improving the framework that would best achieve the management of cultural diversities in the Nigerian construction firms. The methodology used is a desk research based on past studies on cultural diversities management framework. Selection of literature was informed through online search engine for existing studies on cultural diversities. The finding reveals that the identified social identities framework in Nigeria, determined by cultural identities was some components different from the established literature framework, necessitating the extension of the framework to include values which are part of the deeper component of diversities. Values explicate the drive behind the attitudes and behaviour display by individuals. It is expected that through it the intrinsic behind the individual, subunits, and organisational behaviours would be revealed for better organisational performances, tailored within the Nigeria cultural context. Construction firms should take cognizance of the value drive of their workers by paying more attention to their workforce at the value dimension to aid better performances.

**Keywords:** Construction firms, Diversity management, Nigerian cultural context, Values, Workers' diversities

### Introduction

Construction firms all over the world have an established culture which has impact on the organisational performances. Nigerian construction industry as per Nigerian bureau of statistics (2016) contributed about 3.99% to nominal Gross Domestic Product (GDP) which placed it side by side with other sectors of the country in terms of functionality to the economic growth of the nation.

Notwithstanding these benefits rendered by the industry to the stakeholders, and the nation at large, the industry has often been criticised for poor performance (Nzekwe *et al.*, 2015; Ubani and Ononuju, 2013). This has attracted several concerns from the professional bodies to ensure solution to this problem bedevilling the organisation. The Nigerian construction industry lacks the capacity to implement the construction objectives of the country (Aniekwu and Osademe, 2003). Many a time actions taken are just mere sympathy of after effect of poor

performances, and no proper monitoring staged against future reoccurrence. However, plethora of studies have focused on the causes of overruns (time and cost) and effect of delay in construction project performance (Aibinu and Odeyinka, 2006; Aibinu and Jagboro, 2002 cited in Arditi *et al.*, 2016). There is dearth of research on the impact of social factors on construction organisational performance. Construction works involved teams of workers and professionals, and Mayo (1933) has identified that social factors such as culture have effect on team effectiveness. Other factors (which are referred to as softer factors are organisational culture, individual culture, and cultural diversity) equally exert tangible impact on the performance and productivity of the industry (Ankrah, 2007).

Culture is the intrinsic behind the poor performances being experienced in the organisations, accumulated from individual, group, and sub-unit levels. This has its



applicability in organisations, and individuals as well as the nation (Mayo, 1933; Hofstede, 1980; 2001; Loosemore *et al* 2012; Okolie and Okoye, 2012).

Organisational culture also plays a major role in shaping the behaviour of the workforce in line with the objectives of the firm. However, when organisations lack the capability to harmonise the individual workers' culture with the firms' culture this oftentimes result into conflicts which invariably affects performance. Numerous organisations all over Nigeria are unsure of what it takes to effectively manage diversity (Ogbo and Ukpere, 2014). Construction firms are not left out (Bamgbade, *et al.*, 2014). It is thus needful to develop a framework for managing diversity within the Nigerian context.

Unfortunately, no concentrated attention on these soft areas by construction firms until recently. Presently researchers have focused on these areas and exploring possible solution aimed at reducing the negative influence of these soft factors (Hall, 1999; Ankrah and Proverbs, 2004; Dainty *et al.*, 2007).

## Literature Review

### Culture

Culture is complex, and broadly defined by different authors in different forms depending on the area of interest (Groeschl and Doherty, 2000). It is applied to organisations, individuals, and group. Organisational culture is an emerging concept that cropped up from general culture (Hofstede, 1980; 2001). Organisation culture is defined as the guiding principles that directs the organisational business in terms of workers' relationship to one another, behavioural and moral standard, relationship to their work, ethics, policies, modes of operations, rituals, which are made, and amended overtime and affected by the social settings (Ng *et al.*, 2003).

Organisational culture became prominent in the management field in 1980s, it is regarded as a powerful and original tool to understand and analyse human behaviour in the

workplace (Cox, 1996). Organisational culture in the field of management is known as a multidimensional management tools that offers workers within the workplace a structure of character recommendation for conducts, habits, beliefs, norms and patterns in the establishment for the benefits of the organisation (Guldenmund, 2002; Schein, 1990). It is a form of device used to mould the behaviour of every member of the organisation in agreement with the business principle (Schein, 1990). Organisations either private or public have deep-seated culture (Owoyemi and Sheehan, 2011) that influences organisational business. As a natural consequence of forming a group, members coming from different sub-cultures found a unique belief and value system which is different from other organisations but relative and common to them (Seymen and Bolat, 2002). It is thus a key to organisational performance.

Research evidence shows that there is a relationship between organisational culture and performance. Organisations with a record of high performance are associated with strong, well developed cultures (Hellriegel *et al.*, 1992). Reasons adduced are that strong cultures provide for a better fit between strategy and culture, strong cultures lead to increased commitment by employees. O'Reilly and Chatman (1996) have indicated that strong culture enhances organisational performance. Kotter and Heskett (1992) have shown that firms with strong cultures outperform those with weak cultures. Sorensen (2002) discovered that firms with strong cultures exhibit superior performance and more reliable performance in stable environments and that even in volatile environments firms with strong cultures enhance performance. Also, firms with strong culture have less variable performance and increased reliability in performance in competitive environments. A culture can be considered strong if those norms and values are widely shared and intensely held throughout the organisation (O'Reilly and Chatman, 1996) and weak if those norms and

values are not widely shared and intensely held throughout the organisation.

Schein (1990) positioned organisational culture as a structure with two strata of theories, that is, the detectable and undetectable characteristics. The detectable layer entails business building, attire, conduct approaches, code of practice, narratives, mythologies, language, and rituals. Also, the undetectable stratum connotes shared values, customs, belief, and suppositions of business organisational members. In addition, Schein (1989) disclosed that organisational culture is not the overt behaviour or visible artefacts that one might observe if one were to visit the company. Rather it is the assumptions which lie behind the values and which determine the behaviour patterns and the visible artefacts such as architecture, office layout, and dress codes.

However, Baker (1980); Deal and Kennedy (1982) and Peters and Waterman (1982) stated that aside organisational culture every individual working within an organisation similarly possesses individual culture spread alongside shared culture and these unsanctioned practices may nurture or obstruct management's overall goals. This connotes that organisational culture cannot function in isolation, during operations, it relates, and integrates other cultures into the overall culture of the firm, but that is without no effort. In a related study carried out in Nigeria, Prince-Abbi (2002) found that organisational culture influenced organisational effectiveness.

Understanding organisational culture would entail explanation on the individual culture presented under individual cultural diversities, which made up the workforce. Organisational culture has similarities with the national culture of the country; since organisation is a microcosm of society and bears similarities in some respects to society (Handy, 1985 cited in Ankrah, 2007; Hofstede, 2001), it therefore connotes those organisations are being affected by cultural diversity issues (Ankrah, 2007; Loliya, 2016).

### **Cultural diversities component levels**

Cultural diversities are the similarities and differences that exist among people (Cox, 1994; Kreitner and Kinichi, 2004). By extension for organisation, workforce diversity is the numerous existence of differences and similarities of individuals engaged in an organisation whereby every individual is unique and different from the others (Thomas, 2006; Kreitner and Kinichi, 2004). This is conceptualised as surface level diversities termed the demography diversities that comprises identities such as age, gender, race, and ethnicity (Ashton, 2010 in Beziubwe, 2015). The second part is the underlying diversities which entails component such as religion, cognitive, class, family (Pelled, 1996; Harrison *et al.*, 2002). The third part is the deeper diversities such as values, norms, culture, belief, ethics (Pelled, 1996; Harrison *et al.*, 2002), these are variables that drives behaviour of individuals, and organisations. Dwelling on the last dimension, and focusing precisely on values which are intrinsic component behind individuals, and organisations behaviours.

### **Values**

Values are vital for elucidation of social, and personal organisation, and change (Durkheim, 1897/1964 and Weber, 1905/1958). Values are central in all facets of life and discipline (Schwartz, 2012). Values are utilised to exemplify cultural collections, organisations, and entities, to track down vicissitudes as over time, and to explicate the drive behind the attitudes and behaviour displayed by individuals (Schwartz, 2012). Although many authors have written on this generic issue, the relevance of the values construct in the earlier literature lack uniform conception of basic values, of the subject matter and organisation of relationships between these values, and of consistent experiential approaches to measure them (Hitlin and Piliavin, 2004; Rohan, 2000). However, the emergence of values theory and methodology developed from the study of Schwartz (1992) has brought a renaissance of the subject.

Though the make-up of values may be universal, individuals and groups differ substantially in the relative importance each attribute to the values. That is, individuals and groups have different value "priorities" or "hierarchies" (Schwartz, 2012). Therefore, every value is distinct from others because of the motivational goal that underlies it. Schwartz (2012) identified the existence of ten basic values which encapsulate all possible values. The ten values according to Schwartz (2012) are, self-direction, stimulation, hedonism, achievement, power, conformity, security, tradition, benevolence, and universalism, which connotes that organisations, and individuals across all social context holds different values. Team within an organisation can also possess different values which in relation to other teams can affect performances.

The nature of the construction work necessitates teamwork. Egan (2002) stated that for construction industry to be more successful, effective teamwork is inevitable. Nevertheless, teamwork experiences challenges such as misinterpretations, poor communications, poor contributions from team members, and lack of organisation. Since culture affects organisations, it also connotes that culture affects teamwork (Olsen and Martins, 2012). The team imbibe the culture of the organisation since it is a subset of the organisation. How the culture of the organisation influences the team members knowing that each member of the team possesses a unique culture? Social identity comes to bare to understand this concept. People working in group are being controlled by values that the team stands for, and view other outside their groups as an outsider (Tajfel and Turner, 1985). This is in line with Okafor (2008) who also found that shared values have positive relationship with organisational performance implying that value system of an organisation impacts positively on organisational performance. If the value of the members of a group does not match with values of the other team members' conflicts can ensue from such relationships.

### Conceptual framework

Researchers have developed germane conceptual framework on diversity management as it affects workforce diversity and organisational performance (Ogbo and Ukpere, 2014). Most of the framework focused on the primary, underlying level or both but seldom on the three level diversities in a single study (Loliya, 2016). Olsen and Martins (2012) build up a framework based on the research on instrumental and terminal values by Rokeach (1973). The framework relates two of the acculturation management strategy, integration and assimilation (Berry, 1984; Cox and Finley- Nickelson, 1991) with dual values for diversity. The uniqueness of the model is seen in the products of the intersections of the two-acculturation strategy with dual values for diversity (instrumental and terminal) as shown in Figure 1.0. The instrumental integration approach has a resemblance with Ely and Thomas (2001) integration-and-learning diversity perspectives, it creates an inclusive climate that allows individuals to maintain and express their various backgrounds and group memberships while discouraging conflict, in line with suggestions of Olsen and Martins (2012). This offers a wider range of options for organisations to choose from in managing their workforce diversity. This is in line with contingency theory which stated that organisations should tack diversities based on the situation at hand (it depends approach). Having a network of numerous options would realise this. Figure 1.0 depicts the expansion of Olsen and Martins (2012) framework for diversity management of workforce with the influence of organisational culture for optimal organisational performance at the individual, group, and organisational levels. It is also on the premise of other theories such as social identity, and contingencies theories. Olsen and Martins (2012) model only captured process and outcome at the three levels mentioned above with recommendation that future researchers should look at the organisational sub-units for closer analysis. Furthermore, the cultural identities which informed the social identities within the

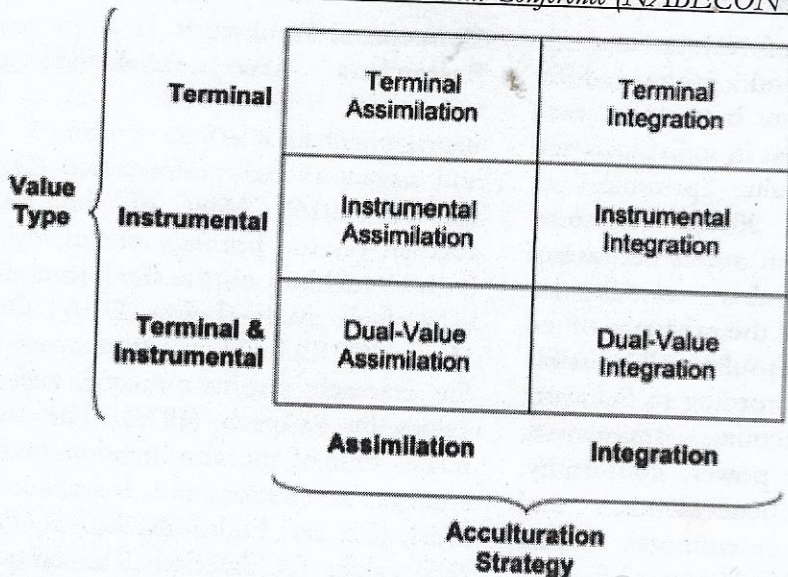


Figure 1.0: Olsen Typology of Approaches to Diversity Management (Olsen and Martins, 2012)

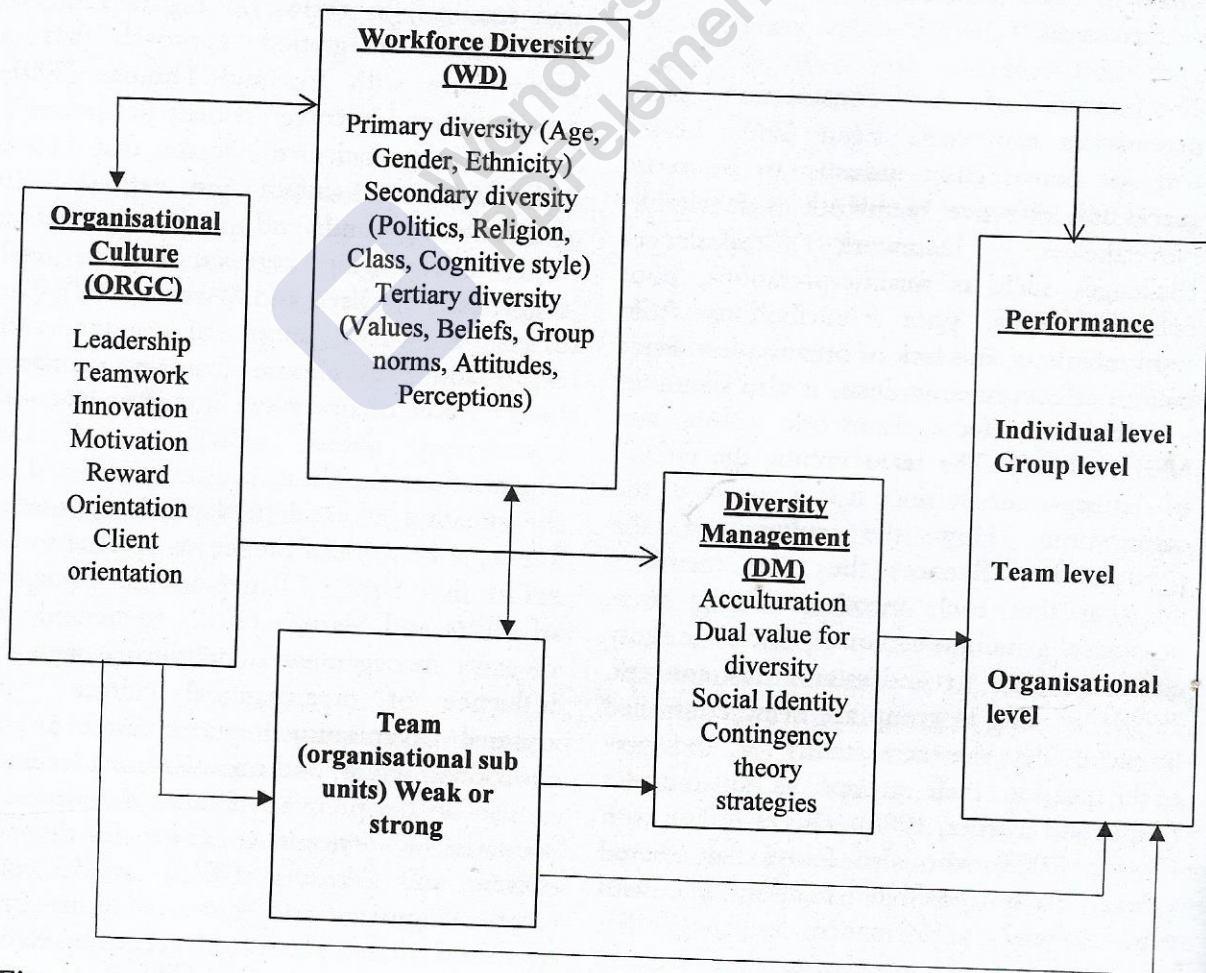


Figure 2.0: Conceptual framework for management of diversities (Author's concept, 2018)



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