Knowledge Transfer and Organizational Performance of Deposit Money Banks in Port Harcourt, Nigeria

1ADUBASIM, Ikechukwu Ernest , 2UNAAM, Akaninyene Okon, PhD
3EJO-ORUSA, Henry, PhD.
1Department of Management and Information Technology, Faculty of Management Sciences, Abubakar Tafawa Balewa University, Bauchi, Nigeria.
2Police Staff College, Jos, Plateau State, Nigeria.
3Department of Management, Faculty of Management Sciences, Rivers State University, Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Rivers State, Nigeria.

ABSTRACT: In the wake of competition in the banking industry, this study sought to find out how knowledge transfer KT can serve as a catalyst for corporate performance among deposit money banks in Port Harcourt. The study used a cross sectional design. The population of this study comprised five (5) deposit money banks in Port Harcourt. The sampling frame for the study was 200 staff from which a sample size of 133 was drawn using the Taro Yamane sample size determination formula. However, after data cleaning, only data of 112 respondents were finally used for data analysis. Descriptive statistics and Pearson correlation was used for data analysis and hypothesis testing. Empirical results confirm that there is a positive significant relationship between KT and organizational performance with profitability and market share as measures. The study concluded that KT has a strong bearing on the performance of organizations. The study recommended that management of deposit money banks should make the transfer of knowledge more rewarding as it would make employees willing to share their knowledge and not keep it to themselves.

KEY WORDS: Knowledge Transfer, Deposit Money Banks, Organizational Performance, Profitability and Market Share.

I. INTRODUCTION

The ability of organizations to utilize their intangible assets has become far more crucial than their ability to invest and manage their tangible assets. Hence, to remain at the vanguard and keep a competitive edge, they must have a good capacity to retain, develop, organize, and utilize their employee competencies (Grönhaug and Nordhaug, 2002). This is because in the present day competitive business environment, knowledge-based activities are the basis of sustainable competitive advantage. This has led to the resource and knowledge-based theorists to postulate that organizations should focus on the creation and accumulation of knowledge-based competencies in order to yield long-term survival (Teece, 2004) and specially given the advantage of emerging economies regarding the cost of labour, knowledge is the critical resource of the future of companies in developed economies.

An organization’s stock of knowledge can include technological knowledge as well as knowledge about how to function in global markets, work with local laws, how to protect intellectual property and how to operate successfully in various forms of partnerships. The need by the organizations to perform optimally comes as a result of creation and accumulation of knowledge-based competencies in order to yield long-term survival. The organization’s stock of knowledge includes technological knowledge as well as knowledge about how to function in global markets, work with local laws, how to protect intellectual property and how to operate successfully in various forms of partnerships. This package of knowledge resources is critical for the successful development and maintaining competitive advantage through creating value for the company’s stakeholder. (Jolly and Rolland, 2004) posit that knowledge transfer is necessary to firms, as this allows firms to access knowledge that is otherwise outside their reach. Therefore firms try to learn, to transfer knowledge and acquire it in most of the interactions with their internal and external environments.
Knowledge has become one of the most important elements of core competence, and firms try to transfer and absorb it in each interaction with their environment. The deposit money banks in Nigeria has adequate skilled workforce and what might be lacking is effective fit of this knowledge to the organizations objectives and as Kim, Shin, Kim, & Lee (2003) pointed out, in order for enterprises to be successful in the exploitation of their knowledge assets, an appropriate “fit” between the organization’s mission and objectives and its knowledge management strategy should be found. This means that the goals and strategies of knowledge management should be reflective of those of an organization. Strategists (strategic business managers and knowledge managers) should therefore take note of the major impact of knowledge on the formulation of corporate strategy and organizational success. Furthermore, enterprises need to ensure that their knowledge strategy and knowledge program is consistent with corporate ambitions, and that the techniques, technologies, resources, roles, skills, culture, etc. are aligned with and support the business objectives (Mayo, 1998). Thus, when such alignment between the knowledge transfer strategy and the business strategy is clearly established, the knowledge transfer system will be moving in a direction that holds promise for long-lasting competitiveness of the organization. This study therefore, examined the relationship between knowledge transfer and organizational performance of deposit money banks in Port Harcourt. This study will further be guided by the following research questions:

i. What is the relationship between KT and profitability of deposit money banks in Port Harcourt?

ii. What is the relationship between KT and market share of deposit money banks in Port Harcourt?

II. LITERATURE REVIEW

Theoretical framework

This study is based on three main theories underlying knowledge transfer that is, the, resource based view of the firm blended with a knowledge-based perspective and the dynamic capability view of knowledge transfer. In accordance with the resource based view, Grant (1991) posits that while resources are the source of a firm’s capabilities, capabilities are the main source of competitive advantage. Therefore, it has been emphasized that the key to achieving a sustainable competitive advantage from the firm’s stock of resources lies in the ability to integrate different resources to form strong organizational capabilities. It is a firm’s core capabilities, those that create major value, that make the most significant contribution to competitive advantage.

The resource based view of the firm, blended with a knowledge-based perspective, highlights the effective ways of coordinating individuals’ activities within the firm and integrating their knowledge. Gold, Malhotra & Segars (2001) argue that it is how effectively firms leverage and combine their knowledge transfer resources to create a unique knowledge transfer capability that determines their overall effectiveness. In other words, firms can and do differentiate themselves on the basis of their valuable resources of knowledge transfer capacity which are complex to acquire and difficult to imitate, thereby, providing them with a sustained competitive advantage (Chuang 2004). In the dynamic markets of today, firms are not only competing on their ability to exploit their existing resources and organizational capabilities that form the basis for the products and services they offer, but are also competing on their ability to constantly renew and develop these resources and organizational capabilities, enabling the firm to react to changing market conditions, thereby, achieving and sustaining a competitive advantage (Teece, Pisano & Shuen, 1997).

Adopting a knowledge-based perspective, dynamic capabilities are seen as integrated sets of knowledge transfer activities that change, renew, and exploit the knowledge-based resources of the firm, equivalent to knowledge development capability, knowledge (re)combination capability, and knowledge use capability (Nielsen 2006). The resource-based theory with knowledge and dynamic capability-based approaches, knowledge transfer resources and capabilities are explicitly recognized to be central to the creation of competitive advantage in the dynamic market places of today. While knowledge transfer resources and capabilities tend to be heterogeneously distributed across firms, leading to different patterns of knowledge transfer use and effectiveness, a key to understanding the success and failure of knowledge transfer with in organizations is the identification and assessment of preconditions or organizational resources/capabilities that are necessary for the effort to flourish (Gold et al.,2001).

Knowledge Transfer

Knowledge transfer (KT) is a term used to encompass a very broad range of activities to support mutually beneficial collaborations between universities, businesses and the public sector. KT is a ‘contact sport’, it works best when people meet to exchange ideas, sometimes serendipitously, and spot new opportunities. Knowledge transfer is the practical problem of transferring knowledge from one part of the organization to another (or all other) parts of the organization. It seeks to organize, create, capture or distribute knowledge and ensure its availability for future users. It is more than just a communication problem and more complex because: knowledge resides in organizational members, tools, tasks, and their sub-networks and much of the knowledge organizations have is tacit or hard to articulate in direct communication.
Knowledge transfer is embedded in spontaneous conversations. Successful knowledge transfer involves neither computers nor documents but rather interactions between people. We have documents, document databases, an Intranet Web, groupware, …But the assignees and the face to face (F2F) meeting are by far the most important channels for transferring knowledge to the member firms (Malhotra, 2002).

Transfer of knowledge does not denote a full replication of the knowledge in the receiving unit. Indeed, knowledge is often modified in the receiving unit. The key element in knowledge transfer is not the underlying (original) knowledge, but rather the extent to which the receiving subsidiary receives potentially useful knowledge and utilizes this knowledge in its own operations.

**Knowledge Transfer Techniques**

a. **Job tailing line up:** A job-tailing or shadowing curriculum is the one approach to transfer comprehension from one person to another or from one group to another. A less knowledgeable player is matching up with an experienced person or performer. Exact transfer of knowledge could be held flawlessly in such job shadowing programs where much knowledge may possibly be provided to constructive users.

b. **Job assistance:** A job assistance or aid is something that helps out community to do in good faith time. A check-list of a job is an aid sign to transfer knowledge which could be stock up and contact through low-tech techniques by performers when the need takes place. The support in job and on other related parameters, knowledge transferring strategies has been well proven in providing confidence and positivity.

c. **Counseling programs:** A counselor or a mentor is a veteran player; and a mentee is not as much knowledgeable. Once in a blue moon, a mentor is an administrator, in view of the fact that effectual mentors ought to typically have no self-centered concern in the progress of any person. Victorious group of people characteristically had one or additional mentors in their profession and these advisers put forward their valuable advice on what to do, how to worth doing it in any kind of situation. Such knowledge transfer plan knows how to make smooth, the progress of knowledge transfer.

d. **Mode of storytelling:** Most astuteness in groups is conceded on, all the way through storytelling. A chronicle is a portrayal of what takes place in any state of affairs. Most people must have perceived sound about several stories about their groups in terms of “what has actually happened” in a case of endorsement, relegation, extinction or move, you always hear a story. Storytelling is less prearranged than vital events but can hand out the similar split ends. It could be the majority of an efficient mode of transmitting knowledge from one person to the other.

e. **Best to follow readings or conventions:** Over and over again, it would be preeminent to consider the best practices takes place outside the organization. It is probable that the group hold its existing best practices which could be collectively shared in meetings. One could refer to readings of various top acumen people, which could also be the best way of transferring knowledge into one. Attend maximum conventions, conferences of experienced intellectuals etc. These types of meetings or gatherings only takes place for knowledge transferring.

f. **Head to head personage:** This specific method relies on a special communication stuck between two people, with one person transmitting the knowledge to the other person. This skill is grand if you have a manifold familiarity supports or other useful methods to transfer knowledge, skill transfer or an enormous deal of unambiguous scientific aspect.

**Organizational Performance**

Organizational performance has been the most important issue for every organization, be it a profit or non-profit one (Ismael, Yusof&Davoud, 2010). However, defining, conceptualizing and measuring performance have not been an easy talk (Ismael et al, 2010). Lebans & Euske (2006) define performance as a set of financial and non-financial indicators which offers information on the degree of achievement of objectives and results. Organizational performance encompasses three specific areas of firm outcomes: (1) financial performance (profits, return on assets, return on investment); (2) market performance (sales, market share); and (3) shareholder return. Organizational performance involves the recurring activities to establish organizational goals, monitor progress towards the goals, and make adjustments to achieve those goals more effectively and efficiently (Richard, Devinney, George & Johnson, 2009). The assumption that knowledge management is needed for knowledge accumulation to result in improved organizational performance possibly arises from the fact that researchers have opposing views about the impact of knowledge on organizational performance (Vera & Crossan, 2003). It is expected that a particular category of knowledge, which is valuable, rare, inimitable and non-substitutable would lead to increased performance (Barney, 1991). On the other side of the discussion are authors who do not see a direct relationship between knowledge and performance. Organizations can always attain knowledge that may not lead to intelligent behaviour (McKeen, et al, 2006). Leonard (1992) states that core rigidities due to deeply embedded knowledge sets hinder innovation. In conclusion, Vera and Crossan (2003) suggests that the knowledge that is relevant may have a positive effect on organizational performance.
Measures of Corporate Performance

Different measures of corporate performance triumph. The once nominated were a function of the type of corporate performance that is under investigation. For this study, the measures are: profitability and market share.

Profitability

Profitability refers to money that a firm can produce with the resources it has. The goal of most organization is profit maximization (Niresh & Velnampy, 2014). Profitability involves the capacity to make benefits from all the business operations of an organization, firm or company (Muya & Gathogo, 2016). Profit usually acts as the entrepreneur's reward for his/her investment. As a matter of fact, profit is the main motivator of an entrepreneur for doing business. Profit is also used as an index for performance measuring of a business (Ogbadu, 2009).

Profit is the difference between revenue received from sales and total costs which includes material costs, labor and so on (Stierwald, 2010). Profitability can be expressed either accounting profits or economic profits and it is the main goal of a business venture (Anene, 2014). Profitability portrays the efficiency of the management in converting the firm’s resources to profits (Muya & Gathogo, 2016). Thus, firms are likely to gain a lot of benefits related increased profitability (Niresh & Velnampy, 2014). One important precondition for any long-term survival and success of a firm is profitability. It is profitability that attracts investors and the business is likely to survive for a long period of time (Farah & Nina, 2016). Many firms strive to improve their profitability and they do spend countless hours on meetings trying to come up with a way of reducing operating costs as well as on how to increase their sales (Schreibfeder, 2006).

Market Share

Market share refers to the percentage of sales a company has in a specific market within a specific time period. Higher market share translates into higher profits. Gaining or building market share is an offensive or attack strategy to improve the company’s standing in the market (Sarkissian & Schill, 2010). Market share is a measure of the consumers’ preference for a product over other similar products. A higher market share usually means greater sales, lesser effort to sell more and a strong barrier to entry for other competitors. A higher market share also means that if the market expands, the leader gains more than the others. By the same token, a market leader - as defined by its market share - also has to expand the market, for its own growth (Schnaars, 1998).

There are many different ways to increase market share; companies usually use a combination of strategies. Sometimes something as basic as increasing advertising can have huge effects, as can adjusting pricing. Breaking products into groups and targeting them at specific demographics can also increase this percentage, as can making of complementary products. Another strategy is improving the product or service itself, which can attract customers from competitors, though this can be difficult, so many companies try to grow along with a growing market rather than trying to take business from the competition (Sliden, 2014 cited in Ong’ong’a, 2005).

Market share is a key indicator of market competitiveness; how well a firm is doing against its competitors. This metric, supplemented by changes in sales revenue, helps managers evaluate both primary and selective demand in their market. It enables them to judge not only total market growth or decline but also trends in customers’ selections among competitors. Generally, sales growth resulting from primary demand (total market growth) is less costly and more profitable than that achieved by capturing share from competitors. Conversely, losses in market share can signal serious long-term problems that require strategic adjustments. Firms with market shares below a certain level may not be viable. Similarly, within a firm’s product line, market share trends for individual products are considered early indicators of future opportunities or problems (Armstrong and Greene, 2007).

From the foregoing arguments, we hereby hypothesized thus:

**H₀₁:** There is no significant relationship between KT and Profitability of deposit money banks in Port Harcourt.

**H₀₂:** There is no significant relationship between KT and market share of deposit money banks in Port Harcourt.
Methodology
The study used a cross sectional design. The population of this study comprised five (5) deposit money banks in Port Harcourt. The sampling frame for the study was 200 staff from which a sample size of 133 was drawn using the Taro Yamane sample size determination formula. The sampling procedure to be used in this study is the purposive sampling technique Descriptive statistics and Pearson Correlation was used for data analysis and hypothesis testing with the aid of the SPSS Package version 21.

Table 1. Reliability statistics for the instruments

<table>
<thead>
<tr>
<th>S/No</th>
<th>Dimensions/Measures of the study variable</th>
<th>Number of items</th>
<th>Number of cases</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Knowledge Transfer</td>
<td>4</td>
<td>112</td>
<td>0.932</td>
</tr>
<tr>
<td>2</td>
<td>Profitability</td>
<td>4</td>
<td>112</td>
<td>0.739</td>
</tr>
<tr>
<td>3</td>
<td>Market Share</td>
<td>4</td>
<td>112</td>
<td>0.851</td>
</tr>
</tbody>
</table>

Results and Discussions

Bivariate Analysis
The secondary data analysis was carried out using the Spearman rank order correlation tool at a 95% confidence interval. Specifically, the tests cover one hypothesis Ho1 which was bivariate and stated in the null form. We have relied on the Spearman Rank (rho) statistic to undertake the analysis. The 0.05 significance level is adopted as criterion for the probability of either accepting the null hypotheses at (p>0.05) or rejecting the null hypotheses at (p<0.05).

We shall commence by first presenting a proof of existing relationships.

Figure 1 scatter plot relationship between KT and OP
The scatter plot graph shows an R² linear value of (0.904) depicting a strong relationship between the two constructs. The implication is that an increase in KT simultaneously brings about an increase in the level of OP. The scatter diagram has provided vivid evaluation of the closeness of the relationship among the pairs of variables through the nature of their concentration.

**Table 2 Correlation Matrix KT and Profitability**

<table>
<thead>
<tr>
<th></th>
<th>Knowledge Transfer</th>
<th>Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Transfer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.820**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>112</td>
<td>112</td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.820**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>112</td>
<td>112</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data, 2018 (SPSS output, version 21.0)

The table above illustrates the test for the first previously postulated bivariate hypothetical statements.

**H₀₁:** There is no significant relationship between KT and Profitability of deposit money banks in Port Harcourt.

The correlation coefficient (r) shows that there is a positive relationship between KT and profitability. The value 0.802 indicates a very strong positive relationship at p 0.000<0.05. The correlation coefficient represents a strong correlation indicating also a strong relationship among the variables. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant positive relationship between KT and profitability of deposit money banks in Port Harcourt.

**Table 3 Correlation Matrix KT and Market Share.**

<table>
<thead>
<tr>
<th></th>
<th>Knowledge Transfer</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Transfer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.778</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>112</td>
<td>112</td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.778**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>112</td>
<td>112</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data, 2018 (SPSS output, version 21.0)

The table above illustrates the test for the second previously postulated bivariate hypothetical statements.

**H₀₂:** There is no significant relationship between KT and market share of deposit money banks in Port Harcourt.

The correlation coefficient (r) shows that there is a positive relationship between KT and market share. The value 0.778 indicates a strong positive relationship at p 0.000<0.05. The correlation coefficient represents a strong correlation indicating also a strong relationship among the variables. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant positive relationship between KT and market share of deposit money banks in Port Harcourt.
III. DISCUSSION OF FINDINGS

The findings revealed a strong and positive significant relationship between knowledge transfer and organizational performance of deposit money banks in Port Harcourt using the Pearson correlation tool and at a 95% confidence interval. The findings of this study confirmed that a strong and positive relationship exists between KT, profitability and market share. The finding of this research reinforces previous studies and these studies include: Du, Ai and Ren (2007) who discovered that in a knowledge-based society, the ability of a firm to create, sustain, and transfer knowledge has a very great impact on its performance. Knowledge transfer is a good way to effectively and efficiently create, sustain, and transfer knowledge. Therefore, it has been broadly studied and applied in many contexts, and the exploration of the relationships between knowledge transfer and performance becomes very crucial. Knowledge transfer throughout the organization enhances existing organizational business processes, introduces more efficient and effective business processes and removes redundant processes (Bhojaraju, 2005).

Our empirical findings support the idea that knowledge transfer is related to performance. The importance of knowledge transfer to the organizational strategic management has been widely acknowledged. As we know, knowledge transfer influences the organizational performance from various aspects, such as management, decision, and production processes. Therefore, we are concerned with the relationship between key contingent variables and performance (Du, Ai and Ren (2007).

The fundamental goal of knowledge transfer in a firm is to facilitate knowledge transfer among different persons and different units in the firm, to absorb knowledge from other firms, and to speed the knowledge adoption. To this end, first, it is necessary for employees to learn from knowledge and experiences (Madsen, Mosakowski, &Zaheer, 2003) accumulated by the co-workers in their team and other departments, internal processes and routines accumulated by the organization, and even knowledge accumulated by other organizations outside. As a result, a firm needs to perform inter-units training and participate in inter-organizational training. Hence, the expenditure on such training.

Secondly, knowledge transfer often occurs unexpectedly during the process of the trials and experiments (Carrillo &Gaimon, 2000) performed by a team or several teams collaboratively. By this means the new knowledge of doing a job is accumulated and transfer increasingly, resulting the improved or innovative way of doing that job, and leading to a better performance. For this reason, it is believed that collaborative trials and experiments are crucial necessary conditions for knowledge transfer although they are not sufficient ones. Thus, the expenditure on such trials and experiments should be considered as a measure for knowledge transfer.

Thirdly, the intentional activities for communicating and transferring conceptual and operational knowledge, experiences, and skills in a company can accelerate the process of knowledge transfer (Ingram & Simons, 2002). Suppose that a worker finds a new better way to operate a machine. The company cannot benefit from this worker’s operational knowledge, unless each worker operating the same machine in the company can obtain and master this new knowledge. Hence, intentional activities for communicating and transferring such knowledge may be performed. Furthermore, much better ways may be found after the activities. Thus, the expenditure on intentional activities for communicating and transferring knowledge is taken into account as a measure for knowledge transfer.

IV. CONCLUSION AND RECOMMENDATIONS

Based on empirical findings, this study concludes that a significant positive relationship exists between KT and the measures of organizational performance in this case, profitability and market share of deposit money banks in Port Harcourt. This suggests that deposit money banks in order to boast their performance should look at the transfer of their intangible asset in this case knowledge as a veritable tool. Necessitated by the high rate of competition in the industry, KT can serve as viable option for banks that would want to distinguish itself in a highly competitive and fast changing business environment.

The study thus recommends that management of deposit money banks should make the transfer of knowledge more rewarding as it would make employees willing to share their knowledge and not keep it to themselves.

REFERENCES


