

Chapter 4.19

Knowledge Creation and Sharing in the Malaysian Housebuilding Industry: Improving the Housing Delivery System

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EXECUTIVE SUMMARY

This chapter examines how knowledge management (KM) develops within the Malaysian housebuilding industry. The objectives of this chapter are twofold. First, it explains how innovation is able to encourage or influence housing developers in generating the new Build Then Sell (BTS) system. Second, it identifies the characteristics of successful adopters so that other developers can imitate them and funnel resources to those areas that successful adopters emphasise. Focus group and semi-structured interviews were conducted to obtain in-depth responses from one house buyers' organisation and successful BTS adopters. The effort to implement BTS is seen as being the

result of a strategic investment in new knowledge by developers responding to the pressure they have experienced on the part of the house buyers and the government. Discussion and the sharing of both explicit and tacit knowledge between the main stakeholders have generated the finer details of the BTS. A strong learning culture and the development of KM tendencies also lead to successful BTS implementation.

INTRODUCTION

Contemporary housing development industry is characterised by dynamic markets, continuous technological advancement, and increasingly discerning house buyers. To cope with

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these trends, housing developers must become more flexible, and one certain way for them to do so is to strengthen their potential to learn as organisations. Thus, for enlightened companies, knowledge and the flow of information become the essential organisational drivers of innovative ideas and value.

The Knowledge Management (KM) approach can be used to help housing developers to focus more on their particular organisational processes and the creation of new knowledge to remain one step ahead of their competitors. By implementing KM, these companies can shift from management based on compliance to a management system based on self-control and self-organisation. This change towards a more aggressive business mindset can then lead these companies to shift from the utilisation of already known knowledge to the creation of new knowledge. This shift in strategy had been described by Binney (2001) as the movement from pure technology KM applications to the inclusion of process applications.

The new housing delivery system known as the Build-Then-Sell (BTS) system is a manifestation of KM in progress. The system can be viewed as the newly created new knowledge that can improve the product offerings of developers for the existing housing market. Initially proposed by consumer associations to protect the rights of house buyers, the BTS system has been slowly embraced by some property developers as an innovative product that can help them to increase their market share. The system has undergone a series of metamorphoses since it was originally developed that have made it more attractive to housing developers. It has been argued that the BTS system was mainly implemented by those housing developers with a strong learning culture and well developed KM tendencies. This evidence encourages the implementation of KM in organisations.

This chapter examines how KM develops within housing developers' organisations in Malaysia by exploring their readiness to adopt the new BTS

system. The chapter is based on a study done by the authors who investigate housing developers' organisational capabilities in trying to implement the BTS system. The BTS system generates benefits not only for customers but also for the developers themselves and the housing industry as a whole. The objectives of this chapter are two-fold. First, this chapter explains how innovation is able to encourage or influence housing developers in generating knowledge-based products, processes, or services. The second objective is to identify the characteristics of successful adopters so that other developers can imitate and funnel resources to those areas that adopters successfully practice. We argue that a strong learning culture and well developed KM tendencies will lead to successful BTS implementation. Successful BTS adopters are likely to become points of reference for other organisations that help to facilitate the implementation of BTS in the housing industry.

In order to obtain in-depth information about the BTS system as perceived from house buyers' point of view, a focus group interview was carried out with one house buyers' organisation. House buyers' organisation is one of the main proponents of BTS implementation in Malaysia. The focus group interview was attended by the chairman, secretary and the treasurer of the association and three members of the research team. The discussion was held at the association's main office and lasted approximately three hours.

A series of interviews was also conducted with housing developers that have successfully implemented the BTS system. A snowballing method was employed to locate these developers. This type of sampling method was employed because it is extremely difficult to locate the developers who have experience adopting the BTS system. Referrals from the initial developer were used to locate additional developers. The initial developer was identified based on its self-identification in media reports as a BTS adopter. In total, three BTS-adopting developers' organisations participated in semi-structured interviews held between

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