EFFECT OF KNOWLEDGE TRANSFER ON EMPLOYEES’ PERFORMANCE IN SELECTED SMALL BUSINESS IN ASABA, NIGERIA

Ofobruku, Sylvester Abomeh  
Department of Management, Faculty of Business Administration, University of Nigeria, Enugu Campus, Enugu State, Nigeria  
Email: ufomaeliz@yahoo.com

Yusuf, Bushira Mohammed  
Department of Business Administration, Faculty of Business Administration, Nasarawa State University, Keffi, Nigeria

Abstract
Knowledge transfer is presently an important strategy employed by human resource managers, yet not much is known on how it improves the employees’ performance in small business. This research investigated the effect of Knowledge transfer on employees’ performance in small business. The focus was small business in the agriculture Industry in Asaba which was critically investigated. The study employed a survey design method using both quantitative and qualitative data. The population was the small agriculture business in Asaba. Responses from two hundred and ninety-seven (297) small agriculture businesses were analysed. The data collected were analysed using regression as statistics technique. The findings of the study revealed that Knowledge transfer had positive effect on employees’ performance. This study concluded that employees perform improved in line with the degree of Knowledge transfer scheme put in place in the organisation and that Knowledge transfer had significant positive effect on employee performance. The study recommends that for small business to sustain better employees’ performance, the organisation should put in place Knowledge transfer mechanism or programs for the employees of the organisation, so as to achieve her objectives.

Keywords: Knowledge transfer, Employees Performance, Small Business

Introduction
Knowledge transfer is one of the tools used for preparing tomorrow’ skilled employees and is also used to strengthen organizational capabilities, intelligence, build organisation knowledge, and sustain the organization competitive advantage. Organisations whether public or private have two distinguishable resources; the human and material. The former are the people, workforce, manpower or employee of such organisations without whom the latter becomes useless (Adeyemi, 2013). Small businesses play an important role in all economy, employing majority of the workforce, creating most new jobs and generating a significant proportion of the gross domestic product (Astrachan & Shanker, 1996). Though small businesses are very important as they are driving force behind economic development, their survival rate is very low compared to non-small firms (Ellis & Ibrahim, 2006). Although human resources are the most critical resources in all organisations, research for sustaining and grooming skill manpower for small
businesses has been inadequate. Groups of skilled manpower are really found in small companies that make up the majority of the small business (Ofobruku & Nwankoby, 2015). The small pool of capable manpower makes it more difficult to find qualified personnel, as such most of the personnel selected as a successors in organisations require training and preparation to be capable in taking responsibility in small business (Ofobruku and Nwakoby, 2016).

While many researchers in other continents including (Bell, 2002) and (McLead, 2003) have written on mentorship, there is limited research on the effect of knowledge transfer on employee performance in Africa and specifically in small business in Nigeria, a factor which requires an extensive research. The few researches available in management literature have explicitly tested mentoring as a means linkages between mentoring and knowledge transfer (Lankau and Scandura, 2007). Many small businesses in Nigeria do not have adequate skilled employee to cope with the present global competitions. This depicts the reason why business in Nigeria is presently confronted with issues of employees’ performance.

The hypothesis tested was:

**Ho:** There is no significant effect of knowledge transfer on employees’ performance.

**Concept of Framework**

**Knowledge transfer**

Wright, (2003), Knowledge transfer is such a factor that promotes guidance on career development and role modelling which both contribute greatly to employee’s development. According to Nonaka and Takeuchi (2001), workplace relationships should be fostered to promote transfer of tacit knowledge, which is stressed the importance of human resource development to organization success. Knowledge transfer according to DeLong (2004), is a key mechanism for organizations success. Similarly Von Krogh, (2000) emphasizes the importance of knowledge transfer. While Fernandez and Sabherwal (2001) found that social processes played an important role in the transfer of tacit knowledge among members in an organization.

Haven gone through several literatures on Knowledge transfer and definitions given to Knowledge transfer by scholars, this research study agreed with the definition given by Arogundade (2013). Based on the above, in this study Knowledge transfer is conceptualized as a process where the person facilitates professional growth of an individual (mentee) by providing skilled and knowledge transfer learned through the years. Small businesses, which bring together so starkly the economic and noneconomic realities of organizational life (Ibrahim and Ellis, 1994), offer a particularly attractive site for understanding how the confluences of economic and noneconomic considerations affect strategic decisions. Selznick, (1957), small business entrepreneurs are unique in that they seek to build businesses that are also most cases family institutions.

**Theoretical Framework**

The following are the theoretical framework adopted for the study:

Theories are important for the practitioner and the scientist because they provide rational an explicit framework in which to organize information and to guide research (Miller, 1989; Lunsford, 2007). Indeed, knowledge is advanced with researchers collecting data to prove or disprove theories (Kukla, 1989).

Mentoring theory claims that the mentor is able to help the protégé develop a sense of competence, confidence and self-esteem through the provision of psychological support (Allen & Day, 2002). This view is clarified by the principles of social learning theory. According to Bandura (1997) “Learning would be laborious, not to mention hazardous, if people had to rely
solely on the effects of their own actions to inform them on what to do. Fortunately, most human behaviour is learned observationally through modelling: from observing others, one forms an idea of how new behaviours are performed, and on later occasions this coded information serves as a guide for action”

Simply put, the process of mentoring is facilitated by the protégé observing and modelling the behaviour of the mentor in the relevant social context. Merriam and Carafarella (1999) further express the relevance of the social learning theory in reference to mentoring by stating “Social learning theories contribute to adult learning by highlighting the importance of social context and explicating the process of modelling and mentoring”. In the same vein, the social cognitive theory supports the understanding of the mentoring theory. It states that knowledge can be enhanced by a close identification between the observer and the model as obtained between a protégé and a mentor. With adequate identification a connection that enables imitation is initiated. Bandura (1989) explains that behaviour, cognition and personal factors interact to produce the desired behaviour. The mentoring relationship is thus a reflection of how observation, imitation and identification of the mentor by the protégé are directed expertly to bring about a change in attitude, outlook and values in the protégé.

The social approach to the investigation of mentoring equally argued that relationships with superiors or supervisors have significant impact on the learning behaviour of protégé. Mentors are models that transmit invaluable information to their partners and through which they gain proper orientation towards work/life values. At work or at play, the role modelling function of a mentor in a developmental relationship is an important source of skill transfer to protégés. Further than this, mentoring is a close relationship. Social psychologists explain that a close relationship involves strong and frequent interdependence between partners (Kelley's et al, 1983; Rusbult & Van Lange, 1996). This eventually creates a situation where partners become an expansion of the other or a mirror image of one another (Aron, Paris & Aron, 1995). Their thoughts, emotions and behaviour influences one another, creates feelings of intimacy and companionship. True to this argument, protégés in mentoring relationships, often than not, become replicas of their mentor’s attitudes and behaviour. From the foregoing, it is easy to see how mentioning is similar to the social learning theory.

**Mentoring As a Social Exchange Relationship**

The social exchange theory provides the conceptual basis for understanding the process through which mentoring is initiated and sustained. The theory suggests that individuals exist in an exchange relationship that is strengthened to the extent that both parties are willing to fulfil the desires of each other. Their behaviour is largely influenced through psychological contract – an employee’s perception of what they expect from their organisation in return for their perceived contributions to it (Rousseau, 1995; Robinson, 1996). Unlike a formal contract, the terms of a psychological contract between individuals are perceptual, usually implicit and subjective, and may not be shared by both parties (Willems, et al, 2003; Kabar and Barrett, 2010). This raises the potential for the perception of contract violation from either of the two parties involved in a relationship.

On the basis of the psychological contract approach to the exchange relationship between individuals, fulfilling the implicit contract or the mere perception of a partner that the other party can and is willing to meet its obligations creates the motivation to help each other (Eisenberger et al., 2003). The social context perspective therefore views mentoring as an exchange relationship in which partners’ exchange reward that strengthens the relationship. Individuals involved in a
dyadic relationship become obligated to act favourably in response to convert fulfilment by the other party (Rousseau, 1989; 1990).

**Empirical framework**

Mundia and Iravo (2014) investigated Role of Mentoring Programs on the Employee Performance in Organisations, the study highlights that the mentoring program is an important employee development method practiced in successful organizations. The ability of mentors either informally or formally to implement the mentoring program activities may lead to higher employees performance, Stratified random sampling was used to select the subjects included in the sample. The data was analysed qualitatively and quantitatively by use of descriptive and inferential statistics to measure the formulated objectives so as to establish the relationship between the independent and dependent variables.

The study established that mentorship programs play an important role in employee performance and are enhanced through knowledge transfer, career development guidance and skills enhancement in mentoring.

Okediji, Nnedum, & Enwongo (2013) carried out a research study on mentoring and the work related outcome constructs. The study deals with mentoring relationship relevance in the field of organizational behaviour. It explores the theoretical functionalism of effective mentoring ideology in the academic literature the plausible influence of mentoring relationship were underscored in the conceptual exploration of mentoring with core work related outcome variables. Academic efforts to synthesize mentoring as the organizational catalyst that selectively enhance the integration of the individual into the focal work organization and improve employees’ performance were agreed to rest on career support and psychosocial support, the both were investigated and analyzed, the study concludes that mentoring improve employees performance.

Ofovwe & Eghafona, (2011) studied mentors and mentoring amongst academic staff in Nigerian Tertiary Institutions, the research presents an overview of mentorship with particular focus on mentors and mentoring amongst academic staff in Nigerian Tertiary institutions with special reference to University of Benin, Edo state. In addition to quantitative data, case studies and life histories were employed to showcase the state of mentoring in University of Benin. The findings of the study show that senior faculty naturally is more comfortable with the tenets of mentoring and are more likely to mentor others for better employees’ performance. The study makes a case for the need to foster a culture of mentoring in academia as a viable means of promoting professional development and employees’ performance.

**Mentorship and Employee Performance**

Considering the views of several others scholars, Avery (2008), states that, during the past four decades, the impact of mentorship on employee performance has been a topic of interest among academics and practitioners working in the area of mentoring. I agreed with the above positions as in the construction industry, skills are characterised as ‘hands on’, which provides stress, intervention, and control of operations and interactions between members at all levels in the organisation. This according to Mullins (1998) is due largely to the widespread believed that mentorship can affect the performance of employee and more so mentorship is considered by some researchers to be particularly important in achieving organisational goals, and in working performance among subordinates.

Several reasons indicate that, there are relationships between mentorship and employees performance. The first reason, relates to today’s intensive, dynamic markets feature innovation based competition, price performance, rivalry, decreasing returns, and the creative destruction of
existing competence, scholars and practitioners view are of the opinion that effective mentorship can facilitate the improvement of employees performance when organisations face these new challenges (Avery 2008). Understanding the effects of mentorship on employees’ performance (Zhu et al, 2005 in Avery 2008) posit that, it is also important because leaders are viewed by researchers as mentors with key driving forces for improving employees’ performance; Effective mentorship to them is seen as a potent source for management development and sustained competitive advantage for organisational performance improvement. According to Mehra et al (2006) in Avery 2008) when some organizations seek efficient ways to enable them to outperform others, a long’ standing approach is to focus on the effects of mentorship. This is because mentors are believed to play a pivotal role in shaping collective norms, helping teams cope with their environments and coordinating collective actions.

**Research Design**

The nature of the study prompts the use of primary and secondary data. Both qualitative and quantitative data were gathered in order to establish the effects of independent on the dependent variables. The research process was guided by many factors acting independently or in combination with others. Predicated on this, the study utilized survey research design.

**Population**

The population targeted by this study was small agricultural business in Asaba, All the two hundred and ninety seven agricultural SMEs, duly registered consistently in Asaba with Small enterprises development agency of Nigeria (SMEDAN) and have been in the practise from 2006-2015.

**Method of Data Collection**

The method applied in gathering the data used for the answering the questions raised in this study was primary and secondary methods, the primary method was questionnaire, the questionnaire items was raised from the literature review, objective of the study, observations and perceived problems identified in the course of this research. The questionnaire format was constructed by the researcher under guidance of the experts’ who subjected the instruments to theoretical and practical validity, In order to make provision for reliability of the questionnaire as a major instrument in this research study, the test-re-test reliability method was adopted by this study. The questionnaires were pre-tested by administering 20 copies to owners of small agricultural business. The reliability of responses to the items of the instruments was analysed using cronbach coefficient alpha aided with the use of spss 17. The reliability coefficient shows that the questionnaire yield 0.75, which indicates that the instrument is reliable. The secondary source comprises textbooks, government-publications, magazines, journals, seminars, articles/monographs, and internet which have relevant contributions to the study.

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1=male</td>
<td>158</td>
<td>52.8</td>
<td>53.2</td>
<td>53.2</td>
</tr>
<tr>
<td>2=female</td>
<td>139</td>
<td>47.2</td>
<td>46.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>297</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

`Source: field survey 2015`
Table 1: above shows that 100% of the distributed copies of the questionnaire were returned.

Table 1: above indicated that majority of respondent who owners of agricultural SMEs are male with 158 (53%) and Female has 139 (47%) and from the result shows that male has the highest respondent and this revealed that male have the highest population.

Table 2: Qualifications of respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1=primary</td>
<td>4</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>2=secondary</td>
<td>75</td>
<td>25.1</td>
<td>25.3</td>
<td>26.6</td>
</tr>
<tr>
<td>3=tertiary</td>
<td>186</td>
<td>62.2</td>
<td>62.6</td>
<td>89.2</td>
</tr>
<tr>
<td>4=non-above</td>
<td>32</td>
<td>10.7</td>
<td>10.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>297</td>
<td>99.3</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: field survey 2015

Table 2: indicated that the vast majority of the respondent have higher tertiary qualification. From the table reveal that tertiary have 186 (62.2%) respondent, secondary 75 (25.1%), primary4 (1.3%) and non-above 32 (11%) And from the result shows that majority of the respondent are tertiary, and tertiary have the highest respondent.

Data Presentation

Table 3: Effect of knowledge transfer on employees’ performance

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1=strongly agree</td>
<td>145</td>
<td>48.5</td>
<td>48.8</td>
<td>48.8</td>
</tr>
<tr>
<td>2=agree</td>
<td>125</td>
<td>41.5</td>
<td>42.1</td>
<td>90.9</td>
</tr>
<tr>
<td>3=undecided</td>
<td>15</td>
<td>5.0</td>
<td>5.1</td>
<td>96.0</td>
</tr>
<tr>
<td>4=disagree</td>
<td>5</td>
<td>1.7</td>
<td>1.7</td>
<td>97.6</td>
</tr>
<tr>
<td>5=strongly disagree</td>
<td>7</td>
<td>2.3</td>
<td>2.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>297</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: field survey 2015

The table 3, above asked the respondent weatherknowledge transfer affect employees’ performance. The above table revealed that knowledge transfer impact on employees’ performance have strongly agree 145 (48.5%), Agree 125 (41.8%), Strongly Disagree 7 (2.3%), disagree 5(1.7%) and undecided have 15(5%). the responses from respondents above shows that knowledge transfer affect employees’ performance.

H₀: There is no significant effect of knowledge transfer on employees’ performance.
Table 4: Coefficientsa

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.589</td>
<td>.126</td>
<td>12.626</td>
<td>.000</td>
</tr>
<tr>
<td>Knowledge transfer</td>
<td>.163</td>
<td>.067</td>
<td>.140</td>
<td>2.424</td>
</tr>
</tbody>
</table>

a. Dependent Variable: employees’ performance

R-square = 0.520 = 52%

Durbin-Watson = 1.216

Adjusted R Square = 0.516 = 52%

F Change = 5.878

Regression Line = Y = 1.589 + 0.163

The regression coefficients are shown in the table 4, above. The intercept, 1.589, is representing the estimated average value and knowledge transfer impact on employees’ performance of SMEs and from result shown above, there is significant impact of knowledge transfer on employees’ performance of SMEs in Asaba and the result show that knowledge transfer have significant impact on employees’ performance of SMEs are statistical significant since p< 0.05 and H01 is rejected and accept alternative and from the revealed that R-Square 68% explained level of relationship that exist between the two variable .and the Durbin –Watson result show that the is present of auto-correlation in the analysis. And from the result we reject the Null (Ho) and accept the alternative that there is significant knowledge transfer impact on employees’ performance of SMEs in Asaba.

Discussion of Findings

The significance value is less than 0.05, which means that the variation explained by the model is not due to chance. Based on the result shown in table 4.4 we reject the null hypothesis and accept that there is a significant effect of knowledge transfer on employees’ performance. These findings are in line with the view of and position of social learning theory in the transmission of knowledge and skills from older and more experience hands. The current results also agree with the earlier study by Mundia and Iravo (2014).

Summary

The objective of this research study was to examine the effects of knowledge transfer on employees’ performance of SMEs in Asaba, Nigeria. The empirical findings and result show that knowledge transfers have positive effects on employees’ performance. The study further revealed that knowledge transfer has positive effect on employees’ performance to their organisation as confirmed by the result of the tested hypotheses.

The above implies that improve employees performance is necessary for business success, organization therefore need understand how knowledge transfer affects employees performance, the ability of the leaders and management of SMEs to effectively improve employees performance in today’s competitive business world is traceable to effective knowledge transfer programmes. The extents at which organizations are able to imbibe the culture of knowledge
transfer as a key to employees’ performance will determine their sustainability in the competitive market and improve employees’ performance.

References


Klein, S., Astrachan, J., Smyrnios, K. (2003), "Towards the validation of the F-PEC scale of family influence".


