

Strategic Management Practices in the
Construction Industry: A Study of Medium-
sized Malaysian Construction Contractors

Research Proposal

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1. Introduction

The title selected for this research proposal is "Strategic Management Practises in the Construction Industry: A Study of Medium-Sized Malaysian Construction Contractors". This study aims to share a proposal covering the background and rationale for conducting this research study and setting the aim and objective for the research accordingly. Afterwards, the researcher conducts a literature review to gain foundational or background knowledge of the subject matter. Finally, the study shares the selected methodology and rationale for completing this research study and positively meeting the targeted aim and objectives of the research.

1.1 Research Background

Malaysia's construction sector is growing at a rapid pace, reaching a size of \$35.51 billion in 2023, and the same market size is expected to grow up to \$53.52 billion in 2028, which indicates a compound annual growth rate of 8.55% for the Malaysian construction sector (Business-Wire, 2022). With such statistics, CEIC (2023) informs us that the share held by the construction sector in the Malaysian gross domestic product is about 3.4%. Due to the enormous size of the construction sector in Malaysia, Mordor Intelligence (2022) informs us that about 18,000 to 20,000 construction companies are operating in the Malaysian market, offering employment to a wide range of people in the country.

1.2 Research Rationale

The growth rate of the Malaysian construction sector has been quite significant since 2010. Statista (2023) agrees with this by adding that the construction sector in Malaysia has experienced an average growth of about 4.5% from 2010 to 2019. This growth rate was affected by COVID-19 by up to 1%; however, Business-Wire (2022) informs that the Malaysian construction sector has overcome this challenge and is proliferating at 7%, with favourable growth potential in the future as well. It is imperative to mention that the Malaysian government is also playing a significant role in contributing to the growth of its construction sector (Mordor-Intelligence, 2022). It is evident through

the Eleventh Malaysian Plan introduced by the government for 2016–2020 (CEIC, 2023). Malaysia's construction sector is also critical to the government's twelfth plan for boosting its economy. However, Taofeeq *et al.* (2022) argue here that with the increasing size of the Malaysian construction sector, the complexity and severity of its projects are also increasing constantly. To counter this situation, Bamgbade *et al.* (2022) inform that Malaysian construction companies must use effective strategic management to achieve the targeted objectives. For this reason, this study is focused on evaluating the impact of strategic management on the construction industry by considering medium-sized construction companies in Malaysia. This study is also advantageous for Malaysian medium-sized construction companies to improve their strategic management practises for competing strongly in the business world.

2. Key Aims and Objectives

Given the research background and rationale, the targeted aim of the study is

To evaluate the impact of strategic management practises on the performance of Malaysian medium-sized construction companies

The associated objectives of the study are

- To identify the strategic management practises currently employed by medium-sized Malaysian construction contractors.
- To assess the effectiveness of the identified strategic management practises in enhancing the competitiveness of medium-sized Malaysian construction contractors.
- To analyse the impact of government policies on the strategic decision-making process of medium-sized Malaysian construction contractors.
- To explore the strategic adaptation of medium-sized Malaysian construction contractors to cope with changing market dynamics and industry challenges.

3. Literature Review

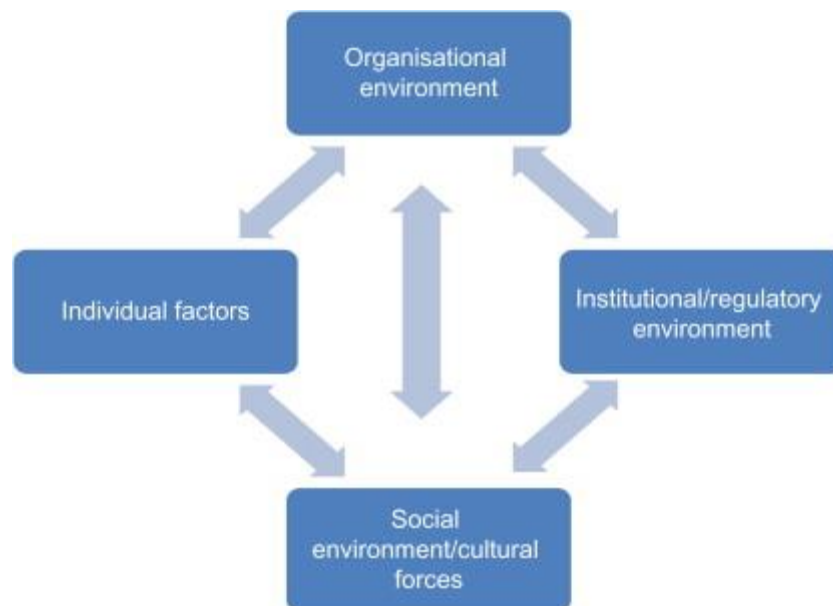
Strategic management refers to all the critical decisions and their implementation made by the organisation to strategically compete with other players in the targeted market (Fuentes *et al.*, 2020). Esa *et al.* (2017) agrees with this by adding that one of the primary aspects associated with the strategic management of a business organisation is setting a clear vision, mission, and long-term objectives for the business. However, Ofori (2015) argues that organisations must refrain from developing this aspect; instead, they must incorporate internal and external environmental factors when deciding on their core values to compete strongly in the business market. Frynas and Mellahi (2015) appraise this aspect because it allows businesses to utilise their resources efficiently and put all their efforts in the right direction to produce and generate the best possible results. To validate this aspect, Yap *et al.* (2019) share information about Porter's Generic Strategies, which highlights four key strategies for businesses: cost leadership, Differentiation, Focused Differentiation, and Focused cost leadership for competing strongly in the business market. The selection of these business strategies is suitable for businesses to optimise their strategic management effectively to produce and sustain the best possible results.

According to Esa *et al.* (2017), strategic management tends to carry high significance for businesses operating in the construction sector as it supports them to analyse and manage all the potential risks existing in the process to attain and sustain the targeted objectives positively. Abosede *et al.* (2016) extend this aspect by adding that it adds to the capability of businesses to optimise and use their resources effectively to put efforts in the right direction. Abd-Jamil and Fathi's (2016) findings are consistent here using the Resource-based View theory, in which businesses need to optimise their resources to generate and sustain the best possible results. Otherwise, it becomes challenging for businesses to compete strongly with external market players.

The construction sector in Malaysia is currently expanding at a fast rate, with an annual change of about 8%. Due to this rapid pace of expansion, the complexity of the projects covered in the Malaysian construction sector is also increasing. Therefore,

Fuertes *et al.* (2020) argue that the construction companies operating in this sector need to optimise their resources effectively to compete strongly with the other players in the market. For this reason, Esa *et al.* (2017) add that they must keep an eye on the changing environmental aspects with a particular focus on technology to remain ahead of the competition. However, Ofori (2015) raises a concern here that this aspect often becomes challenging for businesses due to the high investment requirement in the initial terms, which might not be possible for them to manage suitably. To counter this challenge, Frynas and Mellahi (2015) argue that construction companies must manage their finances powerfully to generate the desired revenue. However, effective financial management is only possible with a regular flow of construction projects and portfolios. For this reason, Yap *et al.* (2019) add that construction companies must manage quality and safety standards at the workplace to keep the client satisfied and avoid any interruption in the workflow.

Based on the critical aspects discussed so far, it is clear that a wide range of aspects affect the strategic management performance of business companies. To optimise this aspect effectively, Shibin *et al.* (2020) share information about Institutional Theory with the construction companies to create an alignment between their business practises and environmental aspects, as shown in Figure 1.



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Figure 1: Institutional Theory (Shibin et al., 2020)

Based on the relevance between institutional theory and research settings, this research study intends to make use of Institutional Theory as a key framework for completing this research study.

4. Research Methodology

4.1 Research Methodology

The targeted focus of the current research is to explore the impact of strategic management practices on the performance of medium-sized construction companies operating in Malaysia. Due to the explorative nature of the current research, the researcher is interested in completing the current research using qualitative research methodology. Here, Saunders *et al.* (2007) appraise qualitative research methodology as it takes its base from the interpretivism philosophy, which allows the researcher to evaluate and explore the subject matter from all possible dimensions. Maylor *et al.* (2017) agree with this by adding that the Interpretivism philosophy enables the researcher to collect data from a wide range of resources for creating different worldviews, perspectives, and narratives related to the significance of the strategic management practises for Malaysian construction companies. Due to this reason, the current research study is more aligned with the use of qualitative research methodology (Vannette and Krosnick, 2017). Comparatively, the quantitative research methodology is certainly suitable because it deals in statistical terms and takes value from the Positivism philosophy; however, this type of methodology does not fit well with the current research due to its objective nature, which contrasts with the explorative requirement of the current research (Atkinson, 2007).

The researcher intends to complete the current research by using an inductive approach. The reason is that there is already sufficient information about the effectiveness of strategic management practises that needs to be extended in the case of medium-sized Malaysian construction companies, which aligns well with the inductive

approach (Bell *et al.*, 2022). Here, Bryman (2016) informs us about the deductive approach, mainly used for testing hypotheses, but this need needs to exist in the current research.

Based on the above discussion, the current research shall be completed using qualitative research methodology based on the Interpretivism philosophy and following an inductive approach.

4.2 Data Collection Technique

The research is focused on medium-sized construction companies operating in Malaysia. For this reason, the researcher is interested in collecting data from the management employees working in these firms. For this reason, the researcher intends to use interview techniques to collect employee data (Cohen *et al.*, 2018). This technique is supportive for exploration purposes due to the offered feature of cross-questioning. For effective data collection, the researcher shall prepare an interview guide to collect appropriate data from the targeted study participants (Collis and Hussey, 2013). Due to the large number of medium-sized construction companies operating in Malaysia, the researcher intends to use random sampling techniques to select a limited number of participants from the entire population (Mohajan, 2018). This technique is favourable due to its random advantage in avoiding biases in the research. The targeted sample size for the research is 15; however, this number could vary based on data saturation, which is the point after which the researcher ceases to collect any new information from the study participants (Basias and Pollalis, 2018).

4.3 Data Analysis Technique

Due to the use of the interview technique for data collection, the researcher will most likely collect subjective or explorative data from the study participants. The researcher intends to use thematic analysis techniques to analyse this data effectively. Fletcher (2017) appraises this technique because of its capability to support the researcher in extracting common or recurring codes from all the information shared by the participants to analyse the collected data. The researcher intends to start with

thematic analysis by creating and evaluating interview transcripts thoroughly (Alase, 2017). Afterwards, a coding technique shall be applied to determine the standard or recurring critical codes in the data provided by the participants. These key codes shall then be placed in sub-themes, which shall be synthesised later to extract all the key themes emerging from the data offered by the research participants (Mayer, 2015).

4.4 Ethics Management

Being primary research, different ethical challenges will undoubtedly arise during the data collection from the participants, such as informed consent, confidentiality, voluntary participation, no bias, the right to withdraw, and others. The researcher shall adhere to the University's ethical guidelines and the General Data Protection Regulation 2018 (Braun *et al.*, 2021; Saunders *et al.*, 2019).

4.5 Research Timeline

Figure 3 informs us about the timeline that will be used by the researcher for completing the research study.

Activities	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Comments
Stage 1: Proposal													1500 words
Submission of proposal													Waiting for approval
Receiving feedback													Making necessary changes
Stage 2: Literature Review													
Introduction-Writing													2000 words
Literature Review - Writing and Questions development													3000 words
Literature Review - Supervisor Feedback													Waiting for approval
Stage 3 - Reserch Development													
Data criteria													Key Questions
Data collection													
Data synthesis													Data collection
Stage 4 - Data Collection													
Extracting data													Reaching the data saturation
Data synthesis													Quality review of papers
Evaluating the key findings													All supply chain risks themes
Stage 5 - Data Analysis													
Thematic Analysis													Explorative approach
Analysis - Writing													Key findings
Stage 6 - Dissertation draft submission													
Supervisor feedback													Complete dissertation review
making necessary changes													
Stage 7 - Final dissertation submission													

Figure 3: Research Timeline (Author)

5. Conclusion

Overall, this research aims to evaluate the strategic management practices in the construction industry by focusing on medium-sized Malaysian construction contractors. This research study is targeted to be completed using qualitative research methodology by conducting interviews with different managers of medium-sized construction companies operating in Malaysia. The collected data from the participants shall be analysed using the thematic analysis technique.

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