



Strategic management practices in construction industry; Problems and prospects (A Case of Nigerian Enterprise Anambra State)

Bldr Chidozie J. Ezenwata *

Department of Building Technology, Federal Polytechnic, Oko, Anambra State, Nigeria.

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Abstract

This work provides an overview of problems and prospects with the intention to analyze and to evaluate strategic management practices in construction industry. In order to achieve this, relevant studies were examined and reviewed issues on strategic management practices, its problems and prospects in construction industry. Descriptive research design was used in this research. The aim of the research design is the desire to simplify the complex issue of the strategic management practices, its problems and prospects in construction industry in decision making for a better understanding. 261 staff was used to study the population of the construction staff in the case study. The sources of data used for this research are primary and secondary data. The instruments used in collection of the data were structured questionnaire, interview and observation. The descriptive method was used to analyze the data generated for the research. This was supported by tables showing questions, responses, frequency and percentages of Yes or No. The mean scores, correlation, one-way ANOVA and Chi-square test was used in analyzing the data generated for the study. The findings indicate that strategic management practices are highly essential and there is high prospect from the department of strategic management practices in construction industries. Without adequate strategic management practices, construction industries will have problems in design, construction and construction management specifically companies in the case study. Based on the above findings the researcher made recommendations that will help to enhance construction management, promote high prospect in construction industries and to create profitability that will enable the environment specifically companies in the case construction industries.

Keywords: One way ANOVA; Strategic management; Organization; Construction; Building; Practices and prospects

1. Introduction

Strategic management is the management of an organization's resources to achieve its goals and objectives. Strategic management involves setting objectives, analyzing the competitive environment, analyzing the internal construction company, evaluating strategies and ensuring that management rolls out the strategies across the construction company. At its heart, strategic management involves identifying how the construction company stacks up compared to its competitors and recognizing opportunities and threats facing an organization, whether they come from within the construction company or from competitors [21, 28]. Strategic management is divided into several schools of thought. A prescriptive approach to strategic management outlines how strategies should be developed, while a descriptive approach focuses on how strategies should be put into practice. These schools differ over whether strategies are developed through an analytic process in which all threats and opportunities are accounted for, or are more like general guiding principles to be applied. Business culture, the skills and competencies of employees, and organizational structure are important factors that influence how the company can achieve its stated objectives. Inflexible companies may find it difficult to succeed in a changing business environment. Creating barrier between the development of strategies and their implementation can make it difficult for managers to determine whether objectives were efficiently met [4]. While an organization's upper management is ultimately responsible for its strategy, the strategies themselves

*Corresponding author: Bldr Ezenwata Chidozie J
Department of Building Technology, Federal Polytechnic, Oko, Anambra State, Nigeria.

are often sparked by actions and ideas from lower-level managers and employees. A construction company or an organization may have several employees devoted to strategy rather than relying on the chief executive officer for guidance. Because of this reality, construction company leaders focus on learning from past strategies and examining the environment at large. The collective knowledge is then used to develop future strategies and to guide the behavior of employees to ensure that the entire company is moving forward. For these reasons, effective strategic management requires both an inward and outward perspective [18]. Making construction companies able to compete is the purpose of strategic management. To that end, putting strategic management plans into practice is the most important aspect of the planning itself. Plans in practice involve identifying benchmarks, realigning resources – financial and human and putting leadership resources in place to oversee the creation, sale, and deployment of products and services. Strategic management extends to internal and external communication practices as well as tracking to ensure that the company meets goals as defined in its strategic management plan [23].

Aim of the Study

The aim of this study is to investigate the influence of strategic management practices on the performance of construction industries in Nigerian Enterprise.

2. Study of Strategic Management

Strategic management can be thought of as a thorough formalized process encompassing great effort at all levels of an organization to come up with and implement essential short and long term decisions and policies to direct business towards a stated vision, goal and objective which may include shareholder appreciation and employee satisfaction while encompassing financial objectives, moral and ethical considerations in the decision making process [5]. The field of strategic management has grown in the last thirty ten years developing into a discipline in its own right. Borrowing extensively from economics and social sciences, it is still fragmented by the presence of a number of distinct schools of thought, diversity in underlying theoretical dimensions and lack of disciplined methodology. The fragmentation is due to high degree of task uncertainty and lack of coordination in research as a result of lack of uniformity and focus between the strategy field, its base disciplines and practitioners [4, 33]. Strategy as a field of enquiry developed from a practical need to understand reasons for success and failure among organizations [4].

2.1. Strategic Management Practices

In practice, strategic management follows various stages in a logical order. First stage is determination of the vision and mission of the firm [11]. Vision and mission provide direction and scope for the firm's activities. Vision and mission also provide guidance for the firm's strategic objectives and strategies. Situation Analysis follows which includes environmental analysis externally and internally. External analysis aims at identifying opportunities and threats in the external environment. Internal analysis, on the other hand, aims at identifying strengths and weaknesses in a firm's resources. Thirdly, setting of strategic objectives follows. These should take into account factors identified in environmental analysis and should be in harmony with the firm's vision and mission. Strategic objectives should address environmental opportunities and threats, as well as, the strengths and weaknesses of the firm. Strategic analysis and choice is the fourth stage. Strategy is aimed at achieving a firm's strategic objectives. Strategic analysis and choice occurs at two major levels, namely: corporate level and business level. At corporate level, the analysis and choice is mainly concerned with determining the appropriate business portfolio while at business level the chief concern is how to compete in business i.e., competitive strategy. Furthermore, strategy implementation takes effect where strategy is operational [12]. Development of functional plans and tactics, sometimes known as operational plans and tactics is the first step in strategy implementation. These translate a strategy into plans and tactics which are implementable. Each functional area develops plans and tactics necessary for implementing a strategy. Evaluation and control of the strategy finalizes the process which requires continuous monitoring and taking corrective action at various phases of strategy implementation. Implementation should be monitored carefully to detect or identify problems requiring corrective action. Corrective action should be proactive rather than reactive.

2.2. Strategic Management Process

According to Carpenter & Sanders [6], the strategic management process involves four distinct elements namely; environmental scanning, strategy formulation, strategy implementation and strategy evaluation. Essentially, the strategic management process is a continuous motion of anticipating, recognizing, evaluating, resolving, controlling, documenting and learning from previous experiences in order to sustain the overall viability of the project or venture [1, 2, 33]. Johnson and Scholes [26] stress that organizations that use strategy seek to leverage against competitors and other external influence by configuring and using their superior resources to fulfill stakeholder expectations. Dye and Sibony [11] support that a well thought out approach to the strategic management process is a key factor to the success

and growth within the organization as well as contributing to higher satisfaction levels among those involved within the process. The first step within this process is the determination and clear structure of the company's mission and vision which defines the fundamental reason of existence of the firm and its trajectory. A strong mission statement together with situational analysis tools facilitates the formulation of a competitive strategy enabling long term commitment to all stakeholders. This results in a superior strategy that is geared towards innovation and organizational re-engineering which transforms the firm into a market leader [20]. The analysis stage follows, which is critical to information gathering in order to accomplish the organization's vision. This is where the needs of the organization are made explicit and identification of initiatives that will help in the growth of the firm is done. This stage is complemented by the formulation of strategy. As iterated by Johnson & Scholes [26], strategy gives an organization the direction and visual scope that yields benefit both in operational efficiencies and financial targets and sustains the charted mission and vision of the organization within a challenging environment. The succeeding stage involves implementation of strategy. This involves action, where all stakeholders in particular internal are made aware of their responsibilities and duties in alignment to the overall goal. Finally, the concluding stage involves structuring evaluation and control measures and defining parameters that can be used to gauge performance and attainment of targets while providing action plans for corrective measures. It is important to note however, that the strategic management process is a continuous motion and lobbies for continuous improvement of process and procedure as emphasized by Arain and Low [2, 10, 21].

2.3. Strategic management

Strategic management involves the formulation and implementation of the major goals and initiatives taken by a company's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization competes [9,28]. Strategic management provides overall direction to the enterprise and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives and then allocating resources to implement the plans. Academics and practicing managers have developed numerous models and frameworks to assist in strategic decision making in the context of complex environments and competitive dynamics [18]. Strategic management is not static in nature; the models often include a feedback loop to monitor execution and inform the next round of planning [22, 25, 35]. Porter [30] identifies three principles underlying strategy: creating a "unique and valuable [market] position", making trade-offs by choosing "what not to do", and creating "fit" by aligning company activities with one another to support the chosen strategy. Kvint, [34], defines strategy as "a system of finding, formulating, and developing a doctrine that will ensure long-term success if followed faithfully." Corporate strategy involves answering a key question from a portfolio perspective: "What business should we be in?" Business strategy involves answering the question: "How shall we compete in this business?" [7]. In management theory and practice, a further distinction is often made between strategic management and operational management. Operational management is concerned primarily with improving efficiency and controlling costs within the boundaries set by the organization's strategy. Strategic management involves the related concepts of strategic planning and strategic thinking. Strategic planning is analytical in nature and refers to formalized procedures to produce the data and analyses used as inputs for strategic thinking, which synthesizes the data resulting in the strategy. Strategic planning may also refer to control mechanisms used to implement the strategy once it is determined. In other words, strategic planning happens around the strategic thinking or strategy making activity [27]. Strategic management is often described as involving two major processes: formulation and implementation of strategy. While described sequentially below, in practice the two processes are iterative and each provides input for the other [27]. The work of Chandler [8] created a view that strategy is made at the top and executed at the bottom, further reinforcing the fields focus on the top management while implementation was seen as secondary. Wheelen and Hunger [24], looks at strategic management as a set of managerial decisions and actions that determines the long-term performance of a firm. Literature shows that from 1980 onwards, the field of strategic management has progressed and transitioned from its primary domain in business into other disciplines. The ultimate goal however is a clear direction and increased performance within the organization. As stated by Nag et al [28], this includes the major intended and emergent initiative taken by senior management in utilizing organizational resources to enhance performance, while mitigating the pressures of the external environment. This brings to the fore-front the correlation between strategic management and strategy.

3. Research Method

3.1. Research Design

By vesture of the nature of the research, survey research method was adopted for this research [12, 14, 15, 16, 17]. Survey research method according to, Ezeokonkwo et al [16, 17] is one in which group of people or items are studied by collecting and analyzing data from only few people or items considered to be representative of entire group. The use

of survey research method [14, 16, 17] makes the data generated directly from respondents to be more distinct and finite.

3.2. Types and Sources of Data

Data for the research was sourced through primary and secondary data [16, 25]. They were collected expressly to help solve the research problems.

3.2.1. Primary Data

Primary data is the information gathered directly by the researcher. For the purpose of this research primary data was collected through questionnaire, oral interviews, direct observations and walkthrough evaluations and photographs.

3.2.2. Secondary Data

Secondary data is a synthesis of published and unpublished documents related to the study, and comprises the logical frame work of the study [12, 15, 16, 17, 33]. The collected secondary data, therefore, included the most relevant and current, within the discipline from text books, academic articles, journals and magazines. A number of online sources were also used to get information for literature review.

3.3. Questionnaire

This study is a case study and as such required information from a large population. As Gillham [19] puts it that, questionnaires have some value in case-studies when straight forward and fairly accurate information is required from a large population. In this study as much information as possible is required from a large population of staff and stakeholders in the construction industry. According to Ezeokonkwo et al., [16, 17] and Ogunoh et al., [29], questionnaires are data gathering devices designed to elicit answers or reactions to rearranged questions presented in a specific order. The questionnaires designed for this study was both structured and semi-structured questionnaires (multiple choices) and included both open ended and closed ended questions. The open ended questions allowed respondents to freely express their opinions and views without prejudices so that adequate information is obtained in relation to the objectives of the study.

A total of two hundred and sixty one (261) questionnaires were distributed to staff and stakeholders by the researcher and research assistants by hand. Out of the 261 questionnaires, distributed, 240 were returned which is 92% response rate.

3.4. Population of the Study

Preliminary survey of the study revealed that a total of twelve (12) construction industries, comprising of four (4) in Awka, three (3) in Nnewi, three (3) in Onitsha and two (2) in Ekwulobia were in the study area.

Therefore, the population for this study includes twelve (12) construction industries in the study, 220 staff and 41 stakeholders that have gained adequate knowledge and experience of both maintenance management and condition of buildings in the university. Ezeokonkwo et al. [16] expressed that a population is the aggregation of elements from which a sample is actually selected.

3.5. Sampling Techniques

For high degree of accuracy and adequacy in representation of the sample, the researcher employed two sampling techniques namely: stratified random sampling for administration of the questionnaire in the survey aspect of the study while purposive sampling technique was used for the selection of stakeholders, staff and buildings respectively.

The use of stratified random sampling technique is justifiable because it reduces sampling error [16, 17]. Babbie [3], illustrates that stratified random sampling improves the representativeness of the sample in terms of variables used in the stratification, and can be used to select a sample of university stakeholders. Purposive sampling according to Ezeokonkwo et al. [16, 17] is a non-probability technique that selects informative subjects or units of observation as a representation of the wider relatively cost effective, easier, and ensures that only those elements that are relevant to the study are included.

3.6. Determination of Sample Size

The sample size for this study was determined using Bouely's formular as cited in Ogunoh et al. [29].

$$n = \frac{N}{1 + N(e)^2}$$

Where n = sample size, N = population

e² = Margin of error (assumed 5%), 1 = unity or constant

$$\text{Therefore} = \frac{750}{1 + 750(0.05)^2}$$

$$\frac{750}{1 + (750 \times 0.0025)} = \frac{750}{1 + 1.875}$$

$$\frac{750}{2.875} = 261$$

The sample size of 261 was adopted for this study.

Table 1 Distribution of Questionnaires

Group	Campuses					
	Awka	Nnewi	Onitsha	Ekwulobia	Total	%
Casual Staff	38	25	25	20	108	45
Mechanical and Civil Engineering Department	15	7	11	4	37	15.42
Management Unit	17	9	5	7	38	15.83
Asphalt and Crush stone Department	13	10	3	2	28	11.67
Stakeholders	11	8	4	6	29	12.08
	Sub Total				240	100%

Source: Researcher's field study (2018)

3.7. Data Presentation, Analysis and Interpretation

There is no unusual data point. Unusual data could have a strong influence in the result. The one way ANOVA power report shows the descriptive analysis, the power and can detect the differences in the sample size.

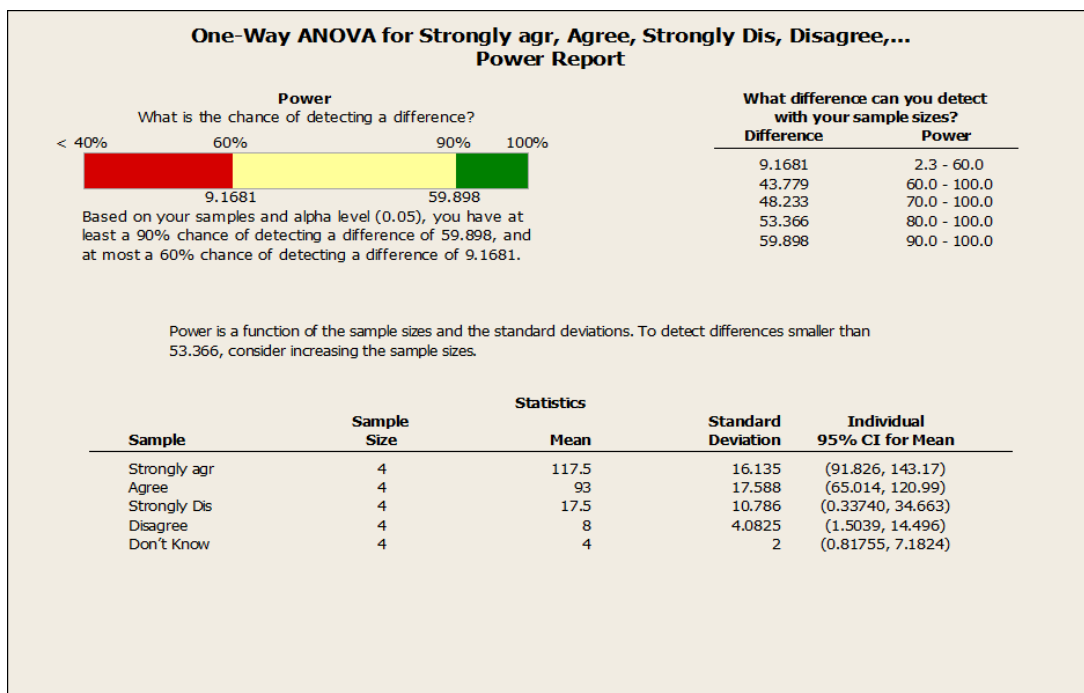


Figure 1 One-Way ANOVA for Power Report

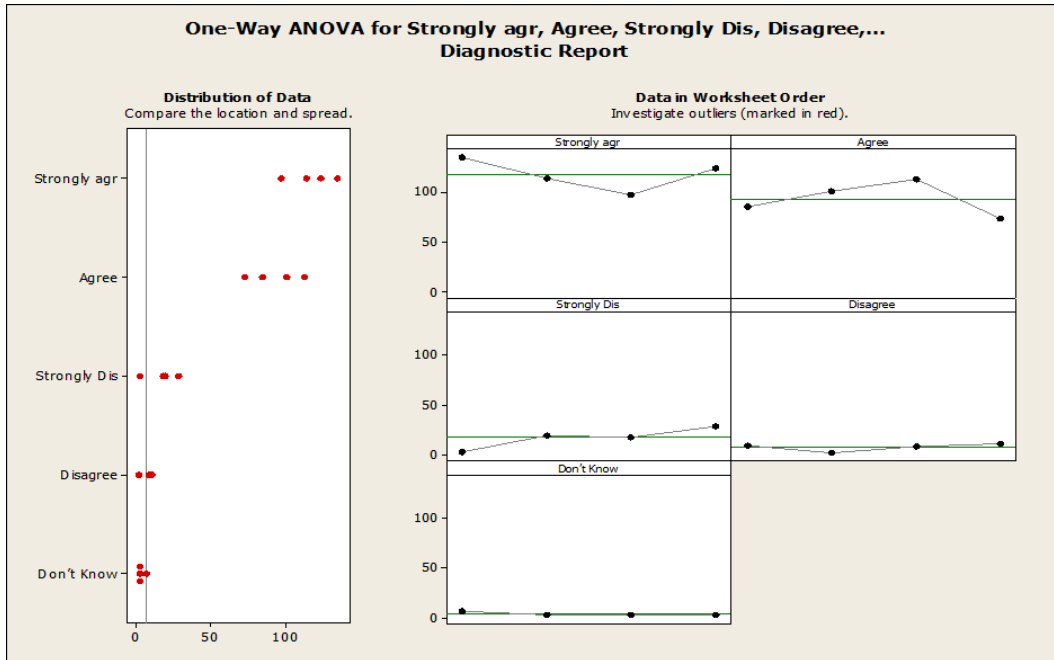


Figure 2 One-Way ANOVA for Diagnostic Report Chart

Figure 2 is a one way ANOVA diagnostic chart. It shows the effect of the leading factors of Strategic Management Practices in Construction Industries. It also reveals the location and distribution of the data set in Strategic Management Practices in Construction Industries.

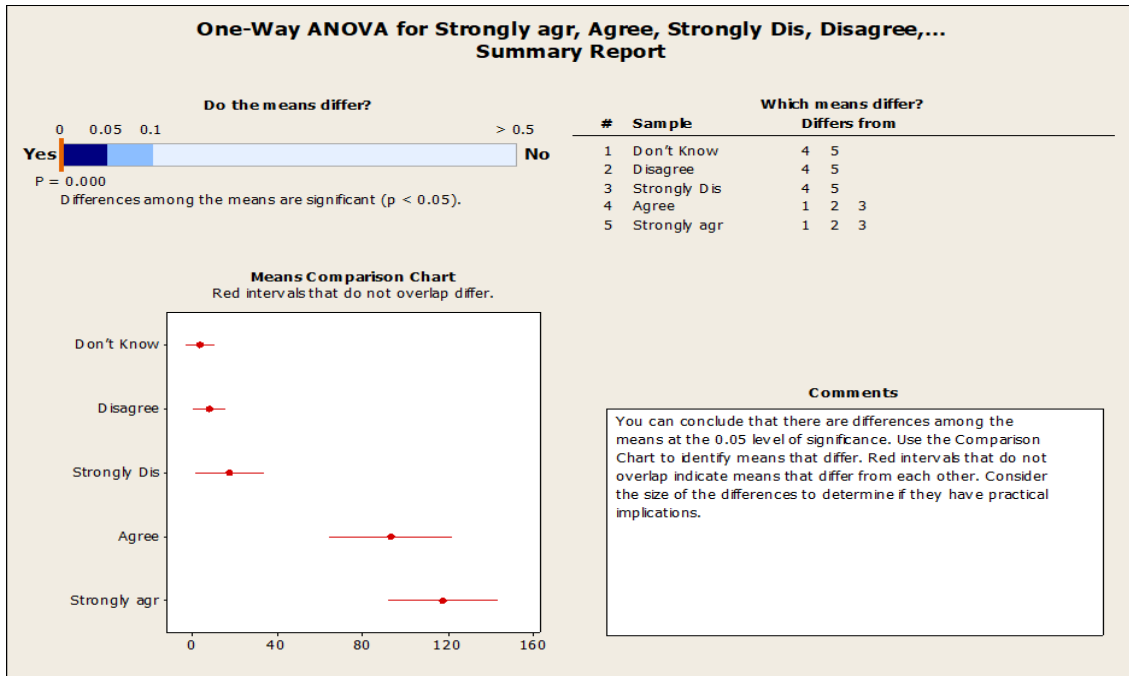


Figure 3 One-Way ANOVA for Summary Report Chart

Figure 3 is a one way ANOVA summary report chart. The chart shows the mean comparison and the differences among the means on the leading factors of Strategic Management Practices in Construction Industries. It reveals the significance of the leading factors in data distribution set for Strategic Management Practices. From the results, it shows that the significance level of the strategic management factors is 0.000 significance level. The significance level of the factors shows that the factors are very significance in predicting the outcomes of strategic management practices in Construction industries.

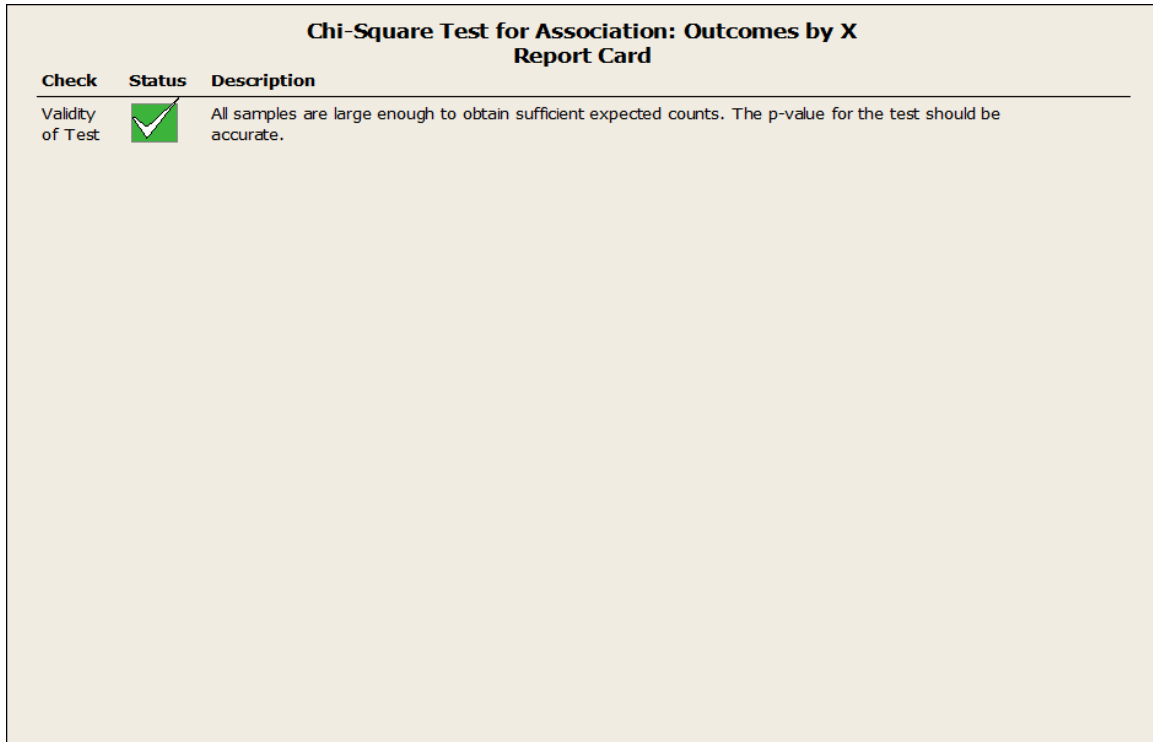


Figure 4 Chi-Square Test for Association: Outcomes by X - Report Card

In figure 4, it shows that all data or samples are large enough to obtain the expected counts. However, the significance value (p -value) for the test should be accurate.

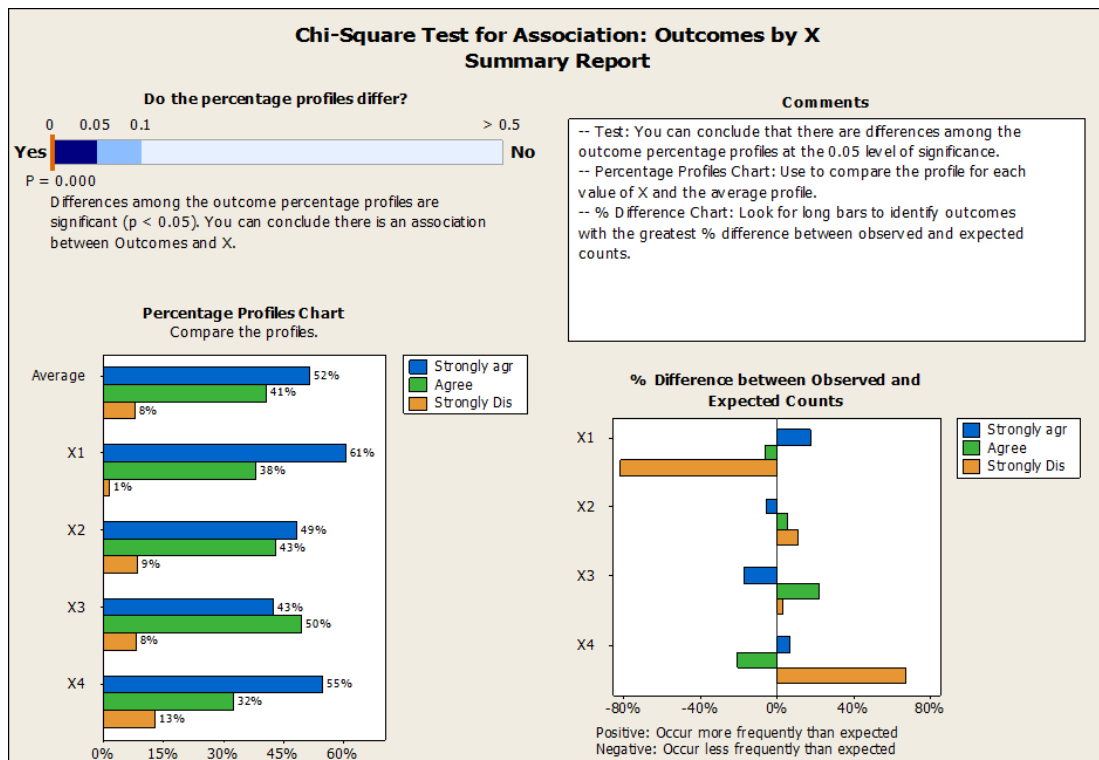


Figure 5 Chi-Square Test for Association: Outcomes by X - Summary Report

Figure 5 is a Chi-Square test for Association summary report chart. The chart shows the percentage profile chart and the percentage differences among the expected and the observed counts of Strategic Management Practices in

Construction Industries. It also reveals the significance of the leading factors in data distribution set for Strategic Management Practices. From the results, it shows that the significance level of the strategic management factors is 0.000 significance levels. The significance level of the factors shows that the factors are very significance in predicting the outcomes of strategic management practices in Construction industries.

4. Discussions

The research is based on evaluation of strategic management practices and their impact in construction industries.

One way ANOVA analysis, it reveals the significance of the leading factors in data distribution set for Strategic Management Practices. From the results, it shows that the significance level of the strategic management factors is 0.000 significance level. The significance level of the factors shows that the factors are very significance in predicting the outcomes of strategic management practices in Construction industries. The results reveal that the responses of the survey questionnaires concur that strategic management practices are highly significance in construction industries.

Furthermore, Chi-Square test analysis shows the percentage profile chart and the percentage differences among the expected and the observed counts of Strategic Management Practices in Construction Industries. It reveals the significance of the leading factors in data distribution set for Strategic Management Practices. From the results, it shows that the significance level of the strategic management factors is 0.000 significance level. The significance level of the factors shows that the factors are very significance in predicting the outcomes of strategic management practices in Construction industries. The results reveal that the responses of the survey questionnaires concur that strategic management practices are highly significance in construction industries.

4.1. Summary of key Findings

- Construction industries carryout work inspections in strategic management practices.
- Construction industries adopt direct labour and contracting out or out-sourced methods in executing maintenance works.
- In construction industries, the method of execution depends on management decision, availability of funds, equipment and skills.
- Strategic management practices are part of design and supervision team to completion of projects.
- In Construction Industries, they can conduct Staff training and continuous development programmes for strategic management staff lacking in the construction industries
- Sources of funds for strategic management practices in the construction industries are from Non-government, Government and donations.
- Poor strategic management practices of buildings affect the performance of stakeholders and worker's productivity in construction industries.

5. Conclusion

This research evaluated strategic management practices in Construction industries. The research was carried out in Anambra state, south east Nigeria. Literature from the research has established that strategic management practices forms the bedrock of Construction industries of any society. This shows that tertiary educational buildings provide the needed identity, purposefulness, comfort and services required for the development and enhancement of education in tertiary institutions. Therefore, without adequate strategic management practices, construction industries will have problems in design, construction and construction management specifically companies in the aforementioned case study.

The construction professionals are urged to adopt the strategic management practices in constructions to enhance construction management, promote high prospect in construction industries and to create profitability enabling environment specifically companies in the aforementioned case study.

Compliance with ethical standards

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