STRATEGY FORMULATION CAPABILITIES OF CONSTRUCTION PROFESSIONALS

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ABSTRACT

Strategic formulation involves synthesising complex, uncertain and often ambiguous information that necessitates a continuous need for senior managers to develop appropriate cognitive attributes. Professionals involved in strategy formulation should be able to exhibit flexibility along with creativity to ensure that the organisation they lead is steered in the right direction in response to a changing and demanding business environment. This paper is set out to explore the strategy formulation capabilities of construction professionals. A range of senior managers from multidisciplinary construction organisations were interviewed in order to explore the various factors that contribute to the strategy formulation capabilities of the professionals. The key factors identified were knowledge and skills. It is suggested that such an evaluation can have a significant role in increasing and improving strategic thinking, thereby enhancing the process of strategy formulation.

Keywords: capability, strategy formulation, construction, professionals, innovation

INTRODUCTION

The career of every construction professional would normally start from a technical role and progress to a managerial one, and with increasing strategic orientation. The practise of strategic management enables organisations to adapt to the changes in their internal and external environment. The skills required for managing strategically are often assumed to be naturally disposed among senior executives, and deemed as a reflection of their experience. Construction professionals traditionally are educated and trained in the technical aspects of the sector’s production operations. Their transition to senior management however, would call for knowledge and skills that reflect decisions of a strategic nature Johnson and Scholes (1999). Ansoff and McDonnell (1990) for example describe the capability implicit in such a strategic role as the \textit{propensity and ability to engage in behaviour which optimises the attainment of the firm’s objectives}. The ability of construction professionals to cope in such roles could be inferred from their capability to formulate strategies. A study of the strategy formulation capabilities of construction professionals will help in identifying gaps in essential skills and knowledge necessary for formulating and implement effective strategies (Graetz, 2002).

Within this paper the authors explore the strategy formulation capabilities of construction professionals. The initial step was to review strategic management focussing on the strategy development process. Following which, managerial behaviour and the various tasks that senior management undertake along with their strategic role were identified. It was then proposed that a professional gains knowledge and skills through various modes and it these