CONSTRUCTION ENGINEERING MASTERS DISSERTATION ABSTRACT

Competitive Strategies for International Construction
Case of UK Transnational Contractors in the Singapore Rail Sector

In contributing to achieve the Construction 2025 target to reduce the trade gap in construction products and services by 50% by 2025, UK transnational contractors (UKTCs) must seek key opportunities and improve their competitiveness overseas. The Singapore rail sector is a good case in point; the market is mature, rapidly growing and has a strong pipeline of rail projects scheduled for completion by 2030. Despite the strong historical link between the UK and Singapore, UKTCs have been outnumbered and outperformed in the past decade by their rivals within the Singapore rail sector. Therefore, this study investigated the competitive strategies that are most significant for UKTCs to improve their competitiveness in the Singapore rail sector. It critically examined one of the most widely referenced framework for the development of strategies, which is Porter’s (1998, 2004) generic typology, comprising cost leadership, differentiation and focus.

Despite its popularity and generalisability, something is fundamentally missing from Porter’s generic typology because it places no emphasis on the entry strategies that are specifically essential for firms that compete overseas. Moreover, the key findings from several studies appear to contradict Porter’s (1998, 2004) theoretical proposition that firms that adopt a combination of the generic strategies are said to be ‘stuck in the middle’ and therefore cannot achieve superior performance compared to those that adopt a single strategic approach. In addressing these issues, this study developed a hybrid taxonomic framework comprising 13 of the most significant strategic practices associated with Porter’s generic typology in addition to entry strategies. It investigated the extent to which this hybrid taxonomic framework contributed to the competitiveness of UKTCs in the Singapore rail sector and examined whether Porter’s generic typology in combination with entry strategies were mutually exclusive or supportive.

Empirical results were obtained from 75 questionnaires and validated in 35 interviews. This study found a combination of Porter’s generic typology in addition to entry strategies to be most significant for UKTCs that compete in the Singapore rail sector. Meanwhile, the perceived importance of some strategic practices varied significantly between interviewees from different organisation types. Significant correlations were also found between several strategic practices associated with cost leadership and differentiation, while focus and entry strategies appeared to be mutually exclusive. Its findings appear to differ from Porter’s theoretical proposition that firms should adopt a single strategic approach to gain a competitive advantage and achieve superior performance. They support the notion of several researchers that a combination of strategies is feasible and more suitable for the construction industry.

Therefore, it is recommended that a hybrid taxonomic framework that comprises the most significant strategic practices associated with Porter’s generic typology in addition to entry strategies is adopted by UKTCs that compete in the Singapore rail sector. Not only will this help UKTCs improve their competitiveness but also address some of the key barriers that were identified, which included domestic market attractiveness, a lack of home government support, a lack of stakeholder commitment, lower pricing from competitors, and the size of a firm disadvantage. The implications of this study stretch far beyond the context of UKTCs that compete in the Singapore rail sector and it is hoped that its key findings can serve as a guiding template for all transnational firms that are pursuing their export business overseas.

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