

External Networking for Innovation in Construction Industry in Malaysia

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Abstract : This paper aims to discuss the impact of external networking on innovation and organizational performance in the construction industry. In Malaysia, the construction industry is known to be one of the industries that contribute significantly towards her economic growth. The construction industry is described as a fragmented and complex product system as construction projects implementation requires involvement of varying combination of large and small organizations across the supply chain spectrum. The innovation and performance of Malaysian construction industry are reported to be at underachieving and efforts for its improvement have inspired this study initiative. External networking among industry players is capable in bringing them to work together as a team, reducing the adversarial relationships among them for innovation effort and greater performance. The instrument in measuring innovation and organizational performance specific to the construction industry was developed by adapting measures introduced by several scholars in these fields. Contractors and consulting companies were the sampling frames of this study representing the construction industry in Malaysia. The population lists were developed from the lists provided by CIDB, BEM, BOA and BQSM. The samples were selected based on a stratified sampling method to gauge representation of the different groups in the population. Regression analysis was performed in this quantitative study to assess relationships amongst variables. The results revealed that principally, external networking is significant in influencing both innovation and organizational performance. Nevertheless, external networking with different industry players has a different impact on innovation and organizational performance. The study revealed that external networking with project players is significant on project performance but not on innovation. On the other hand, external networking with government agencies, academic institutions and professional bodies is significant in influencing innovation but not on organizational performance.

Keywords : innovation, external networking, organizational performance, construction industry

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