The Strategic Planning Process in Complex Settings: the Case of Construction Professional Service Firms

Roisin Murphy  
*Technological University Dublin, roisin.murphy@dit.ie*

Iain Henderson  
*Heriot-Watt University*

Follow this and additional works at: [https://arrow.dit.ie/beschrecon](https://arrow.dit.ie/beschrecon)

Part of the Business Administration, Management, and Operations Commons, Entrepreneurial and Small Business Operations Commons, Other Business Commons, and the Strategic Management Policy Commons

Recommended Citation

THE STRATEGIC PLANNING PROCESS IN COMPLEX SETTINGS: THE CASE OF CONSTRUCTION PROFESSIONAL SERVICE FIRMS

Dr. Róisín Murphy, Dublin Institute of Technology and Dr. Iain Henderson, Edinburgh Business School, Heriot-Watt University

SMS Special Conference, Glasgow 20-22 June 2013

Overview

- Research components
- Construction industry
- Professional service firms
- Strategic planning process and choice
- Research method
- Key findings
- What next?

Research Components

- Strategic Planning
- Construction Industry
- Professional Service Firms

Construction Industry

- Economic Environment: Demand Conditions
- Client: Heterogeneous Product
- Industry Structure: Competition
- Supply Chain
- Regulatory Policy Maker
- Professional Body: Ethics
- CDP

Professional Service Firms

- Availability, affordability, ability (Schragen, 2010)
- Client Participation
- Intangible "output"
- Human Inputs: Efficiency, expertise, experience (Maister, 2003)
- Resource Based View: Barney (1991)
- Dynamic Capabilities: Eisenhardt & Martin (2000)

Strategic Planning Process

- Type (Ansoff, 1965)
- Ownership Structure
  - Approach (Hitt & Irish, 1994; Grant, 2003)
  - Formality (Brady & Ford, 2007)
- Environmental analysis
  - Porter, 1980
  - Eisenhardt, 1989
  - Barney, 1991
  - Grant, 2003
- Comprehensiveness
  - Fredrickson and Mitchell, 1984
- Participation (Dyer and Foster, 1992)

Process Characteristic

- Corporate Strategy
- Business Level Strategy (Porter, 1980)
Research Method

- Mixed methods
  - Flexible design
  - Managing director/managing partner level
- Qualitative phase
  - Semi structured interview
- Quantitative phase
  - Widespread survey
- Data analysis and handling
  - Computer aided software
- Limitations

Key Findings

<table>
<thead>
<tr>
<th>Those that do…</th>
<th>Those that don’t…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal, planned process</td>
<td>Informal, emergent process</td>
</tr>
<tr>
<td>Prospector or analyser</td>
<td>Defender or reactor</td>
</tr>
<tr>
<td>Widespread participation</td>
<td>Top management driven process</td>
</tr>
<tr>
<td>Internal and external analysis</td>
<td>Concentration on internal analysis</td>
</tr>
<tr>
<td>Lack of competitor analysis</td>
<td>Lack of competitor analysis</td>
</tr>
</tbody>
</table>

Key Findings cotd...

- Corporate and business level strategy
  - Peak of construction boom to current
  - Combination strategy – the test of time
- Thinking and acting strategically
  - Not necessarily in a systematic fashion
  - Tactical versus strategic planning
- Top management recognition of need for systematic strategic planning
  - Implications,….

Researching in a Complex Setting

- Multifaceted and complex nature of components under investigation
- Context of turbulent economic and industry environment
- Research design
  - Flexible
  - Mixed methods
- Uncertainties
- Strategic planning/performance relationship

And now...

- Research:
  - Longitudinal study
  - Cross-profession analysis
  - Cross-industry analysis
- Practice:
  - Training and education
  - Tactical planning to strategic planning

Contact Author: Dr. Róisín Murphy, Dublin Institute of Technology
roisin.murphy@dit.ie or ph +353 1 4022925