CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION OF THE STUDY

At the present time the world moves quickly without realizing a lot of development going on. In Malaysia construction sector is the main sector to develop the country. This is because, this sector will boost the development of Malaysia to achieve high-income nation by 2020. There are many construction companies emerging in the present as Uda Holdings, Gamuda, UEM, and so on. If you can see all the company is a successful construction company and has a name that is noted in the present.

Annoyance about the erratic performance of the construction industry, and lack of innovation, coming at a time when customers are demanding more and more complex projects. Most of the problems in the industry stems from a lack of coordination within the organization. Importance of different opinions arise because each organization has different goals. Each organization will use different ways to do their best in their organization in order to avoid various unwanted problems occur in organizations. However, the importance of tacit knowledge and the need for personal contact in resolving problems also continued to emphasize the organization. A group of organization is common in many project-based industries.
The construction industry is often criticized by industry observers somehow less control environment of the construction industry from other industries. This case is so because, in part be based on the project and it is a common tradition that the output of the construction industry is a project. Major construction projects involving the integration of sub-systems and components that differ by various organizations. The organizational structure of the construction industry can be seen as a form of 'hybrid' or 'virtual' company Eccles, 1981 and Miles and Snow, 1987.

Therefore, the construction organization must have in every construction project innovation them. Innovation is the creation of new things that will benefit, value and benefit to everyone. It involves the creation of such products, processes, systems, organizational structures and business models of new or modified system. This approach is necessary to evaluate the organization of construction in our country, especially in the state of Kedah operate in line with the current world circulation using various means easier and faster to move their construction projects completed on time. Every organization needs to move innovation their organizations to prevent their organizations behind in the world of construction.

Feel the construction project to the high innovation to enhance an organization's product. How innovation this may affect the performance of the construction project? The organization also the opportunity to make innovation wise in line with movements in the performance of the construction project is not overwhelmed by the impact made by the organization. If innovation that interferes with job performance so far worked well then it must be stopped in order to avoid other topics untoward happens and the organization needs to find another innovation to push for the construction of the project better.
1.2 BACKGROUND OF THE STUDY

Item above describes the problems that often arise in project construction and construction issues often raised in various conditions. There are times when the problem is often posed but not as big as it needs to make changes and Innovation in line with the change of how the performance of work under construction. There are certain things, which can lead to Innovation them is environmental pressure, technological capability, knowledge exchange, and the latter is the Boundary Spanning.

Environmental stress cause makes Innovation organization. Reasons why organizations do Innovation is because the environment is an important aspect of construction. If this aspect is not taken into account it will cause many undesirable hands off and project performance will not reach a predetermined level. In the Netherlands there are environmental acts, the act of building construction, and act municipalities where the organization should follow the standards of sustainability. With these laws to the organization will be better to maintain the performance of their construction project and the organization will be more organized and vigilant in making mistakes.

Technological capabilities play an Innovation why organizations need to do. The construction industry in Kedah is monitored by Pekadaan Kemajuan Negeri Kedah (PKNK) and Construction Industry Development Board Malaysia (CIDB). In addition, there is also cooperation with higher education institutions and organizations from outside the country with better technology. For example the construction of environmentally friendly buildings. Sustainable products that have been evaluated and approved by the institution, such as the use of sustainable bricks and concrete recycling. Use these materials to some extent influence the performance of the construction project. This is so because, it hands off the new and not commonly used before and they largely affect the performance of the construction project. The organization should provide training to its employees to expose the methods and how to use the new technologies used in the construction.