CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The general summarize for this whole research would be deliver in this chapter. The outline includes background of study, problem statement, research questions, research objectives, the scope of the research, significant of study, and operational definition. This chapter is important as it will be opening synopsis or guide for any reader to understand the flow of research.

1.2 BACKGROUND OF STUDY

Innovation is the new area where the business projects to increase their income with develop new change used the innovation. But to develop new change it will have challenges that the project manager need to overcome. Innovation in construction industry is common technology nowadays, but for accept and implement the new technology is something difficult to organization adopt it. They also need to know their field and their own capability in an organization. According to (Gann and Salter, 2000), the construction company is the set up around projects and produce many task include a services to their clients. Innovation in the construction company is very important and it’s interesting because the organization need to manage new management and set up the new system and the new services. On the top of business type of project, company also need new development in their project.

In this global competition, construction industries are the biggest industries in the global economy. A project-based industry includes construction, aerospace industry,
motion picture industry, pharmaceutical industry, oil and gas industry, healthcare industry and defence industries. Almost all this industry already begins to accept the new change whereas using the innovation to increase their performance in their specific industry. All countries like China, Korea and U.S have already implemented innovative. For the area process, nowadays our country also gets support from the governments to implement and use innovation in term of their service or product.

On the other hand, construction industry is industry which plays element that is important in generates national economy. This industry is also generator in economic development of the country through 'effects multiplier' to other industrial like manufacturing, service, finance, education and others. When national economy face slow growth problem, construction sector still can contribute a total of 2.1 percent (RM7.10 billion) to Gross Domestic Product in year 2001 and 2.3 percent (RM7.28 billion) in year 2002 by the average at this industry of development 0.6 percent from year 2000 to 2005. Construction sector is also one of the sectors that capable to help encourage growth when the country’s economy facing certain recession crisis and it requires plan framework strengthening the policy in facing challenge that is upcoming.

Like others firms, project-based industry also seems need to promote their new service more actively by De Brentani and Ragot, (1996). Such launching efforts have to be balanced to make sure that human resources can keep up with the demand from the customers. According to (Gann and Salter, 2000), the industry’s reputation can get damaged because of small problem where cannot execute properly the orders from the clients and the performance also will be affected. So the project managers and leadership need to make sure the organization accept the new changes and accept the new technologies.

1.3 PROBLEM STATEMENT

Technology innovation rapidly growth, but Malaysia is still lack in applying technology in terms of many aspects of products or services like others countries. As other countries that they already putting into use the technology invention of new things and its get supports from the community. In terms of organizational, the problem
for Malaysia to be in the listed of invention of new thing’s country is harder and slow adoption. That because, the organizational itself cannot accept the changes to their company. Malaysia attitude/set of opinions is like when something rules or adding job task, they will argue, not to change their process or services. In the other hand, they didn’t appreciate effort that being performed by the government.

A small number of research on the connection involving organization intercultural and innovation, surrounded by construction in Malaysia broad limit accepting on the boldness of change in organisation innovation. How the managers providing the guidelines on how their company manage the innovation to increase their performance. “Whether in project-based company, senior management support, the provision of a clear vision on the outcome of the project” (Brown and Eisenhardt, 1995) that is key point for the performance of development projects than in functionally organized firms. According to The Ministry of Science, Technology and Innovation (MOSTI) they had implement many programs connected to the promotion of science and technology and national research and development activities.(Blindenbach-Driessen & van den Ende 2006)

But when Malaysian society’s culture give the opportunities to them, they do not use it the best possible. They rather accept direct rather than developed. Acceptance an innovation in construction need to improve but there are a few factors which caused construction firms difficult to improve, because of the change it’s more about perspective, culture, and mind set in organization itself. Innovation in these firms involves developing new or improved services for current or possible/likely customers, or developing new technologies that can be used to solve clients’ problems better than existing technologies.

To overcome this problem, Malaysia country needs to encourage usage of the innovation from variety aspects. Malaysia can be the one listed of the countries that developed innovation from building construction such as construction being applied the green-technology, use an eco-friendly products and services that being use by robot. From this we can know how important of new technologies and invention of new things for (wanting to beat others in contest) and growth to our country. This problem also