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Foreword

iii

1. Service Employees' Acceptance of Hotel Front Office Systems: A Test of Technology Acceptance Model
Mohamad Abdullah Hemdi 1
2. A New Estimator and its Performance
Ng Set Foong
Low Heng Chin
Quah Soon Hoe 21
3. The Sustainable Competitive Advantage: Elements of Business Strategy for Surviving in the Franchising Industry
Shaira Ismail 39
4. The Manifestation of Native Language Transfer in ESL Learning
Mah Boon Yih 61
5. Exploring International Construction Projects: Views from Malaysian Construction Firms
Che Khairil Izam Che Ibrahim
Abdul Rahman Ayub
Nadira Ahzahar
Siti Hafizan Hassan 71
6. Pengurusan Perubahan Menurut Perspektif Islam
Zulkifli Dahalan
Wahairi Mahmud 93
7. Pembangunan Sains dan Teknologi di IPTA: Satu Analisis Sejarah
Rahimin Affandi Abd Rahim
Nor Adina Abdul Kadir
Ahmad Faisal Abdul Hamid
Zulkifli Dahalan 115

8. Masalah Pembelajaran Urutan Kata dalam Ayat Bahasa Mandarin dalam Kalangan Pelajar Bukan Penutur Asli Hoe Foo Terng Cheun Heng Huat Ho Wee Chee	149
9. The Influences of Gender, Courses and Speaking English at Home on Factors Contributing to Poor Spoken English Cheang Eng Kwong	165
10. Persepsi Pelajar Terhadap Kredibiliti Pensyarah Pendidikan Islam: Satu Kajian Che Haslina Abdullah Zulkefli Mohamad Siti Khalijah Majid Saharani Abdul Rashid	183
11. Konsep Asas Ilmu Perubatan Islam Menurut Ibn Sina Roshaimizam Suhaimi Jasni Sulong	201
12. Pendidikan Islam dalam Pembelajaran Prasekolah: Kajian Terhadap Kurikulum Pengajaran Beberapa Prasekolah Terpilih Zulkifli Dahalan	215
13. Peranan Pensyarah dalam Penambahbaikan Kualiti Pengajaran di UiTM Peridah Bahari Fatimah Bahari	231
14. Pertembungan Tamadun Islam dan Tamadun Barat: Di Mana Letaknya Konflik? Mohd. Hapiz Mahaiyadin Khaliff Mu'ammam A. Harris	241
15. Kedudukan Para Nabi, Malaikat dan Jin Menurut Perspektif Islam Halipah Hamzah	257

Foreword

Alhamdulillah. Firstly, I would like to express my thanks and congratulations to the Editorial Board of *Esteem Academic Journal* of Universiti Teknologi MARA (UiTM), Pulau Pinang for their diligent work in helping to produce this second issue of volume 5. I also would like to thank the reviewers for the excellent vetting of the manuscripts. A special thanks to University Publication Centre (UPENA) of UiTM for giving us this precious opportunity to publish twice this year. In this bilingual science & technology and social sciences issue, similar to the first issue we managed to invite more reviewers from our university as well as other universities in Malaysia. In the near future, we will approach and invite more international reviewers to be in the Editorial Board in order to internationalize our journal. Again, this current issue remarks a new height of the journal standard.

In this issue, we have compiled another 15 interesting articles. The first article is entitled “Service Employees’ Acceptance of Hotel Front Office Systems: A Test of Technology Acceptance Model” written by Mohamad Abdullah Hemdi. The author makes an attempt to investigate the relationship between information system quality, perceived ease of use, perceived ease of usefulness and attitude towards use by adopting an extended technology acceptance model (TAM). This article also presents theoretical and practical contributions for hotel managers and hotel information system (HIS) practitioners in order to increase frontlines acceptance of HFOS. The second article by Ng Set Foong, Low Heng Chin and Quah Soon Hoe proposed a new estimator as an alternative of the Ordinary Least Squares Estimator for linear regression model. This new estimator is shown to have a reduction in mean squared error compared to the mean squared errors of the special case of Liu-type estimator and the Ordinary Least Square Estimator under certain conditions.

Shaira Ismail in her article studies the elements of business strategy for surviving in the franchising industry. The author concluded that the firm’s competitive advantages need to be explored and defined as a blueprint for business strategic planning. The extremely important factors contributing to a company’s competitive advantage are in relations to customers and products. The fourth article by Mah Boon Yih is primarily concerned about how the learner’s existing linguistic knowledge influences the course of English language development among Chinese ESL learners.

The use of English language presented in the form of written work from the samples of 12 students has manifested itself the impact of their L1 (Chinese) transfer in their second language acquisition.

The fifth article by Che Khairil Izam Che Ibrahim et al. surveyed the awareness on analyzing major determinants of goals and benefits in international construction market. Findings indicate that as Malaysian construction firms go international, determination of a firm's basic goals and long term benefits is a really important aspect in exploring international construction projects. Zulkifli Dahalan and Wahairi Mahmud in their article entitled "Pengurusan Perubahan Menurut Perspektif Islam" discuss how managing changes can strengthen an organization, in a way that is in accordance to Islam. Leaders play important role since the success of an organization depends on the leaders' ability to manage the changes.

Rahimin Affandi Abd Rahim et al. focused on the review of the development of Islamic science and technology framework in public universities. The authors concluded that the process and move in developing Islamic science and technology framework in universities is still a distant away from reaching its target. The eighth article by Hoe Foo Terng, Cheun Heng Huat and Ho Wee Chee looks into the problems and difficulties in learning phrases and sentences in Mandarin language among non-Mandarin spoken students as well as the causing factors and the strategies to overcome the problems. The results show that students always make Mandarin grammar mistakes due to the influence of their mother tongue language, mistakes by opposing the logical, chronological or time, or carelessness.

The article entitled "The Influences of Gender, Courses and Speaking English at Home on Factors Contributing to Poor Spoken English" by Cheang Eng Kwong highlights the factors that contribute to the poor proficiency of spoken English among the diploma students in UiTM Pulau Pinang. The results of the study concluded that both internal and external factors have resulted in the poor use of spoken English among the students. The tenth article by Che Haslina Abdullah et al. is a result of a research on the students' perception on lecturers teaching Islamic Studies course. The results indicated a high percentage of students agree that the Islamic Studies lecturers have higher credibility.

The eleventh article by Roshaimizam Suhaimi and Jasni Sulung entitled "Konsep Asas Ilmu Perubatan Islam Menurut Ibn Sina" emphasizes on Ibn Sina's contributions in medical or medicine knowledge as well as the everlasting Islamic medical knowledge that is still being used until today although his name has not been properly recognized and acknowledged

by the West. Zulkifli Dahalan's article entitled "Pendidikan Islam dalam Pembelajaran Prasekolah: Kajian Terhadap Kurikulum Pengajaran Beberapa Prasekolah Terpilih" concentrates on the Islamic learning process and curriculum in selected kindergarten or preschool. The authors monitor the total learning hours for Islamic Studies course and other courses and suggested Islamic Studies course to be as a part of the preschool curriculum.

The article entitled "Peranan Pensyarah dalam Penambahbaikan Kualiti Pengajaran di UiTM" by Peridah Bahari and Fatimah Bahari discusses the role of lecturers in the development of higher learning as well as to enhance the quality of teaching. The fourteenth article discusses the conflict between Islamic civilization and Western civilization. The authors, Mohd. Hapiz Mahaiyadin and Khaliff Mu'ammarr A. Harris suggested that the Islamic civilization could coexist with the Western if the West is able to understand Islam and the Muslim society. However, the full understanding is difficult to achieve since Islam civilization is concerned about revealing the truth while the Western civilization is about concealing the truth. The last article entitled "Kedudukan Para Nabi, Malaikat, Jin dan Iblis Menurut Pemikiran Islam" written by Halipah Hamzah looks into the position of *nabi*, *malaikat*, *jin* and *iblis* from an Islamic point of view.

Mohd Aminudin Murad

Chief Editor

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(Science & Technology and Social Sciences)

Exploring International Construction Projects: Views from Malaysian Construction Firms

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ABSTRACT

The growing and expansion of the Malaysian construction sector into global arena remains high on the national agenda due to oversupply of Malaysian firms and the shrinking domestic construction market. This study focuses on the opinions of Malaysian construction firms in identifying the goals and benefits in exploring the international construction projects. Twenty eight (28) respondents from Class A and Grade 7 construction firms were studied to get their opinions on their willingness to expand into the international markets. The empirical results show profitability of the firm, introduction of operations method and establish market share are the most significant goals among the Malaysian construction firms in exploring international market. The findings also indicate that business expansion, prestige and stability are major benefits gained by undertaking international construction work. With regards to the willingness of Malaysian firms to expand internationally, it is found that Malaysian construction firms entirely support and encourage all the local firms to expand and explore the international construction contracts. The results of the study are of relevance to Malaysian construction firms as they illustrate the international construction goals and benefits in view to exploring international construction projects. This study has shown the possibility of Malaysian construction firms being recognised as global players. Hence, the success of the firms' incremental internationalization is expected

to increase in the near future provided these firms can plan an excellent entry strategies decision making and get involved in international construction industry.

Keywords: *entry goals and benefits, international construction projects, Malaysian construction firms*

Introduction

During 2007, the overall growth in global construction activity remained positive, but lacked some of the dynamism seen in recent years. World construction spending grew by just 3% in 2007, to reach US 4.7 trillion, compared to almost 5% growth in 2006 (Crosthwaite & Connaughton, 2007). The source of the weakness is the US construction market, particularly the residential sector. However, there were major regional differences throughout the year. Demand was particularly buoyant in the markets of Central and Eastern Europe, the Middle East and Asia, while the other regional markets were somewhat subdued Crosthwaite and Connaughton (2007).

Asia region is undergoing a tremendous period of economic growth. According to Crosthwaite and Connaughton (2007), growth is centered on the region's two giants, China and India, which accounted for 70% of the region's expansion in 2007. China and India have again dominated the news with conditions in South East Asian slightly less favourable. Booming markets in China, India and Dubai are leading global construction activity. Other bright spots for international construction remain in Asian, particularly Indonesia, Malaysia, Singapore, Taiwan, and Thailand, and in the Middle East. A combination of rapid economic growth within the regions, relatively stable governments, substantial foreign exchange reserves, low levels of foreign debt and an extensive need for infrastructure present opportunities for international construction firms in these regions.

The construction markets are particularly unpredictable, making planning to move to new construction markets not only more difficult but also more necessary. There is also need to know about the correct combination of firm strength and market analysis of potential markets for a firm to survive and keep up with its competitors. Gaba, Pan and Ungson, (2002) stated that the strategic goals, capabilities, resources, and intent of a firm define its position in the international market. However, participations for international construction markets are difficult due to the uncertainties associated with the international construction domain.

According to Kangari and Lucas (1997), the difficulties are related to client communications, understanding a new culture, avoiding local politics, and supervising a diverse group of professionals.

Nowadays, the very competitive and saturated Malaysian construction market for civil engineering services has led many domestic firms to consider going international. However, identifying the goals and benefits of expending into international market is a critical strategic decision that requires extensive environmental scanning, determination of strengths and weaknesses, entry locations, entry modes, entry timing and matching international market opportunities with firm strengths (Dikmen & Birgonul, 2004). Therefore, it is essential that Malaysian construction firms identify entry goals and benefits in internationalization process and obtain an appropriate technique of entering projects in foreign markets. The main objective of this paper is to describe the overall views of Malaysian construction firms in recognizing the goals and benefits in exploring the global construction projects. The willingness of Malaysian construction firms to expand their business into the international markets also will be described.

Literature Review

In international management, strategic planning consists of scanning the external environment for opportunities and threats; conducting an internal strength and weaknesses analysis of firm and formulating goals in light of the external scanning and internal analysis (Hodgetts, Luthans & Doh, 2006).

Goal formulation is the most important factor needed to be considered after the first two steps of environmental scanning and internal resources analysis. Hodgetts et al. (2006) described that profitability, marketing, operations, finance and human resources are typically served as a foundation which the subsidiaries and other international firms operate. Profitability, marketing and operation goals always dominate the strategic plans of business firms. The lowering of trade barriers, the movements of funds and setting up of new operations globally have created a platform for interested construction firms to penetrate the international construction market (Ngowi, Pienaar, Talukhaba & Mbachu, 2005).

Global construction business is becoming more and more important along the years with the increasing trend in internationalization. Having too many choices, marketers face the challenge of determining which

international markets to enter, compare and capture the benefits across the countries they are planning to penetrate. Solimano (2000) stated that the main benefits of globalization for developing countries lie in the potential for wealth-creation through export led growth and the benefits of expanded international trade of goods, services, access to new technologies, ideas, and institutional designs in the global market place. However, globalization brings along also serious problems and challenges that need to be managed in appropriate ways.

There are several factors associated with difficulties and risks in entering global construction markets. According to Gunhan and Arditi (2005), the entry decision into international market made by a construction firms must be based on good understanding of the opportunities and threats related with international business, as well as a firm's preparedness for international ventures. The threats and benefits associated with target countries must be well understood before the construction firms can start to enter the international business (Hastak & Shaked, 2000).

The international construction offers huge opportunities and benefits as well as the difficulties and challenges for foreign firms in implementing construction projects. Some of the major constraints are due to the political, financial, cultural and legal risk. International construction is very sensitive to regional condition such as currency fluctuation, currency exchange restrictions, cultural differences and problems in regulations (Han & Diekmann, 2001). Political, economic, cultural and legal project conditions can considerably affect the construction firms' participations in international market if they fail to understand the host country environments.

A study made by Gunhan and Arditi (2005) described that the track record, specialist expertise, project management capability are important strengths. The loss of key personnel, shortage of financial resources, and inflation and currency fluctuations are identified as threats relative to international market. The desire of a firm to increase long term profitability, the ability to maintain shareholders' returns, and the globalization and openness of the markets are the most important opportunities available in international works. Whilst prestige, business expansion, geographical expansion, tapping new and booming markets, protecting the firm against cycles, competitive use of resources and competitive advantage are the most significant benefits relative to international market.

Methodology

This paper is primarily to find out from the cross-section of experienced Malaysian construction firms in international market Grade 7, Class A from all over Malaysia on their opinions in identifying the goals and benefits in exploring the international construction projects. This paper also describes their opinions on the willingness or reasons to expand into the international markets.

Sample Selection

Construction Industry Development Board (CIDB) Malaysia records showed that close to 100 firms had ventured into international projects under various sectors (CIDB, 2007). Ninety Two (92) under Grade 7 and Class A construction firms were selected based on the list provided by the CIDB of Malaysia.

Stratified random sampling is used in this research. Only 92 contractors with Class A and Grade 7 and experienced in international projects are selected from the list provided by Construction Industry Development Board CIDB and have been informed by telephone and official letter to explain the purpose of the study and its relevancy and to seek their agreement to participate in the study.

All the Malaysian construction firms in this country which conduct main contracting undertakings of the firms of one or more contracting activities in buildings, infrastructures, branches of engineering, mechanical and electrical, power transmission and plant and oil and gas are chosen to participate in this study.

Data Collection

In this research, the method adopted is through survey questionnaire. The choice of methodology is practical subject to cost and time constraints. The time available for the completion of field survey is approximately less than three months.

The questionnaires with a cover letter were sent with a self addressed and prepaid envelope. The respondents are requested to return the questionnaires within 3 weeks time from the date of the letter. The cover letter explained the objectives and the relevancy of the study, and it

assured respondents' privacy. A contact number was provided in case a respondent had any question.

The content of the questionnaire was mainly developed based on the literature review and the objectives of the research. The questions were divided into three portions:

Part 1 General – Applicable to firms who are already experienced in construction activities in international market. The questions touch on their contracting experience, types of contracting activities, entry strategies in terms of entry modes and timing, and market selection in penetrating the foreign construction market.

Part 2 Factors – The questions are intended to find out their opinion on the critical success factors involved in penetrating international market in terms of the firm's strength, awareness regarding the opportunities and threats available in international market and goals and benefits of conducting construction activities in particular country.

Part 3 Decision – The questions are intended to find out their opinion on formulating strategic planning in expanding international business, favourite region to expand their contracting business and the main reason behind why they get involved in the overseas projects.

Respondents

On the whole, 28 responses were received, which accounted for 30.4% of the total respondents. All of the respondents were from the construction firms who had oversea experience in the international market in various countries. The majority of the respondents came from Peninsular Malaysia especially from within the Klang Valley. There were 64 non responses from the total sample and 6 questionnaires were returned back, indicating that the firms had moved and were no longer involved in any overseas contracts. Thus, the respondents analyzed can be classified as shown in Figure 1.

The results of this study are adopted from the literature of the subject as well as from the opinions and thoughts from 30% of the response rate. Despite the fact that the response rate is not very significant, these results can be considered as acceptable due to the complexity and limitations of using the quantitative methods. The results can be well thought-out due to all twenty eight respondents were experienced or successful in international construction market namely IJM Corporation

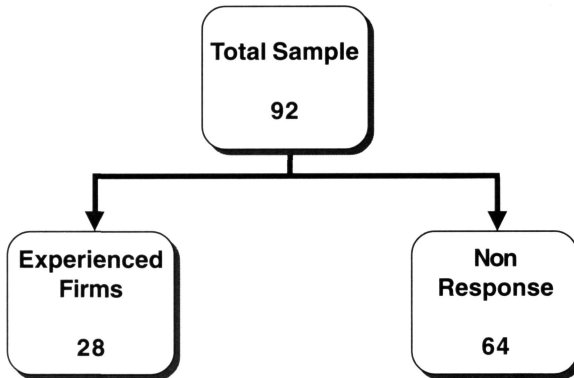


Figure 1: Classification of the Respondents

Bhd, Gamuda Berhad, Muhibbah Engineering Bhd, Sunway Construction Bhd, UEM Builders Bhd and Ranhill Engineers & Constructors Sdn Bhd. All these construction firms are experts in their contracting business and regard the local construction as their operating field, which is reflected in the high scoring in the domestic construction market index. The significant involvement in the international market shows that the entry decision making strategies adopted were balanced and supported. Thus, the effectiveness and the probability of the success of this study can be significant or more convincing especially for local construction firms that aim to position themselves in the global construction market as it considers the entire spectrum of successful international Malaysian firms decision making based on their business practice.

Analysis of Results

The results from survey questionnaires were studied and elaborated in the form of tables, graphs and the data were analyzed using “Statistical Package for Social Sciences” (SPSS) program.

Goals of Construction Firms in Implementing International Construction

Twenty eight (28) Malaysian construction firms had given their opinions related to the goals in penetrating the international construction market.

The level of agreement with each statement of the reported difficulties is given on a five point scale; 1 = Not an Issue, 2 = Least Important, 3 = Moderate, 4 = Important and 5 = Most Important.

Analysis and Discussions

To facilitate further analysis, the respondents' level of agreement with each statement of goals in implementing international construction were aggregated and analyzed as converted weighted scores.

Key Factors Relative to the Goals of Construction Firms in Implementing International Construction

Based on the highlighted results in Table 1, three goals identified are ranked in Table 2 and discussed further accordingly.

Table 1: Mean Responses of Agreements for Criteria Relative to the Goals Related to the Construction Firms in Implementing International Construction

Goals	Relative Index Value	Mean Response
1. Profitability	0.836	Important towards Most Important
2. Operations	0.800	Important towards Most Important
3. Marketing	0.793	Important
4. Finance	0.764	Important
5. Human Resources	0.721	Important

Table 2: Ranking of Statement of Goals

Goals	Most Important	Important	Moderate	Least Important	Not an Issue	Average Weighted Score
1	43%	39%	14%	0%	4%	Important towards Most Important
2	25%	53%	18%	4%	0%	Important towards Most Important
3	25%	50%	21%	4%	0%	Important
4	18%	50%	28%	4%	0%	Important
5	11%	46%	36%	7%	0%	Important

There are a lot of goals that are related to the Malaysian construction firms when undertaking international construction. From Table 1, it shows the mean response to the interrelated goals with international construction in term of level of agreement for the clarity and ease of presentation. From the result, goal 1 “Profitability” and goal 2 “Operations” came out as the most important goal with the highest mean response of respondents which is “Important towards Most Important” mean response. The ranking is followed by goal 3, 4 and 5 which received “Important” mean response. Overall, goal 1, 2 and 3 will be explained since the result indicates that it is contributing more than 25% “Most Important” mean response.

Profitability

Overall, the most important goal related construction firm in implementing construction business is “Profitability” with index value of 0.836. Results showed that majority of the respondents agreed that profitability is towards most important goals in exploring international construction business.

According to Hill (2006), expanding internationally can help the firm’s profitability and increase the profit growth especially in term of maximizing the value of the firm. Normally, this goal typically serves as target as the firm tries to formulate strategic plan for the firm itself, the subsidiaries and other international entities. In Malaysia, some of the construction firms have done well domestically and some are not because the competition is very stiff and competitive. Firms with limited opportunities often find additional lucrative opportunities outside in order to increase their profit. Whilst, construction firms who are doing well domestically, find it difficult to increase market share without strong competitive response. Going abroad usually offers an alternative to desire for increased growth and profitability. Normally, firms will require higher profitability from their international operation than they perform their domestic operations as setting up international operations involves greater risk and effort (Hodgetts et al., 2006). Firms can increase their value by pursuing strategies that lower costs and strategies that value to the firm’s product (Copeland, Koller & Murrin, 2000).

Operations

“Operations” came out as the second most important goals with the index value of 0.800 and the mean response of respondents which is “Important towards Most Important”.

The operations of a firm can be defined as a value of chain composed of a series of creative activities including production, marketing, material management, research and development, human resources and the firm infrastructure (Hill, 2006). According to Yates (1994), in future, clients might not select firms based on geographical preferences, but instead on outstanding new management techniques and methods for performing construction operations. In recent years, most of Malaysian construction firms found that whether they are producing the services locally or otherwise, consideration of worldwide operation is important. However, most of the Malaysian firms tried to look and link them to their own capabilities, moving very much operation in terms of project to project basis. Indeed, this approach is not sustainable given the dynamism in the markets they were entering. Nowadays, most of Malaysian firms start to venture into international market by accepting invitation by the government. According to Xu, Bower and Smith (2005), most of the construction firms generally begin international operations by accepting initial works from their own government or from a compatriot multinational enterprise investing abroad. For some of the firms, they have done well domestically in term of marketing and providing the service. Firm with this advantage often tends to make an introduction of new ways of operation methods especially internationally. Some of them are looking at the geographic location and focus which region they want to penetrate (Senin, 2007). Another aspect is the question of which projects they should undertake. Most of Malaysian firms tried to fit into the sector that they already achieved great domestic success. In addition, the firms have a propensity to produce a high quality and cost control operations as they did in the domestic operations.

Marketing

Based on the analysis, “Marketing” receives mean response of ‘Important’ and the index value of 0.793. Marketing or establishment of market share always dominates the strategic plans of Malaysian construction firms in executing international construction.

The ability to deliver high-quality infrastructure is one of the main factors contributing to the successful marketing strategy of Malaysian firms in implementing international projects. With the success in these projects, other developing countries see that as a model they want to emulate. That puts Malaysian firm in a good position, as the firms are then invited into these countries to replicate what the firms have already

done here in Malaysia (Senin, 2007). This integration of country markets is really beneficial to Malaysian construction firms for marketing efficiency and effectiveness of services and goods in order to produce higher profitability. Warszawski (1996) stated that marketing in a construction firm identifies potential clients, keep them informed about a firm's capability and induces them to order their work from a firm. Firms can increase their awareness of additional marketing strategies and the potential for new ideas created by working with other firms both domestically and internationally (Xu et al., 2005). They also can widen the international business connection, for example, foreign firm's international business contacts might provide business information or even directly recommend them to potential clients. According to Hill (2006), marketing strategies can also create value of the firm in several ways especially for firms that tend to grow their market share in regions where the operations have begun.

Key Factors Relative to the Benefits of Construction Firms Gained by International Construction

Based on the highlighted results in Table 3, three benefits identified are ranked in Table 4 and discussed further accordingly.

Table 3: Mean Responses of Agreements for Criteria Relative to the Benefits Gained by International Construction

Benefits	Relative Index Value	Mean Response
1. Prestige	0.807	Agree towards Strongly Agree
2. Business Expansion	0.843	Agree towards Strongly Agree
3. Competitive Use of Resources	0.729	Agree
4. Competitive Advantage	0.743	Agree
5. Securing the Firm Against Bankruptcy	0.614	Neutral towards Agree
6. Stability	0.800	Agree towards Strongly Agree

Table 4: Ranking of Statement of Benefits

Benefits	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Average Weighted Score
2	29%	64%	7%	0%	0%	Agree towards Strongly Agree
1	25%	54%	21%	0%	0%	Agree towards Strongly Agree
6	14%	72%	14%	0%	0%	Agree towards Strongly Agree
4	4%	64%	32%	0%	0%	Agree
3	4%	60%	32%	4%	0%	Agree
5	7%	25%	43%	18%	7%	Neutral towards Agree

On the key factors related to the benefits of undertaking international construction, the most frequent benefits gained were from factor 2, 1 and 6 with “Agree towards Strongly Agree” mean response. Factor 4 and 3 followed behind with “Agree” mean response. Factor 5 was the least important factor with “Neutral towards Agree” mean response. From the results, benefits 2, 1 and 6 will be explained since it contributed the highest average weighted score of “Agree towards Strongly Agree”.

Business Expansion

The empirical result shows that majority of Malaysian construction firms strongly agree that “Business Expansion” is the most beneficial factor related to the benefits gained when undertaking international construction with highest index value of 0.843.

Construction has always been an important part of global developments. Nowadays, it can be considered as an important factor of the world economy particularly since globalization allows and provides opportunities to multinationals to invest in a large number of countries, increases competition within geographical borders, provides access outwardly to market previously inaccessible (Gunhan & Arditi, 2005).

Free trade agreements such as Uruguay Round in the General Agreement on Tariffs and Trade (GATT), emerging markets in Asia and developing countries as well as changes in European Union have fundamentally changed the structure of construction industry and

increased in business expansion opportunities for construction firms throughout the world (Hastak & Shaked, 2000). The expansion of a firm's activities into international locations presumes that some markets in some locations offer profitable opportunities when domestic markets are not doing particularly well.

Expanding to the international market appears to be a good way for Malaysian firms to increase profitability in the long term. The most effective and strongest asset protection can be achieved by investing through international construction market as it can generate the firm's profitability and hence securing the firm against bankruptcy.

Malaysian construction firms who are interested in expanding their business may take part in overseas trade missions in order to establish international contacts. Establishment of international marketing network enables a firm to secure information on technology, forthcoming projects, potential competitors and potential buyers in formulating appropriate strategy in expanding a business new market (Quak, 1991). According to Senin (2007), building relationship with outside organizations that share the same long-term vision will provide success in the long run in expanding or move on to other markets in the region.

Prestige

“Prestige” came behind as the second most important beneficial factor related to the benefits gained when undertaking international construction with highest index value of 0.807. Most of the Malaysian firms strongly agree that recognition and good reputation awaits them if their business succeeds in the international market.

Senin (2007) described that nowadays, developing countries see Malaysian construction firms as a model they want to follow especially in delivering high-quality highways and infrastructure building. Being able to identify some challenges and encounter the problems related to international construction will contribute to the recognition and good reputation in the international level (Gunhan & Arditi, 2005). Prestige awaits them if they manage to secure, diversify and expand their business successfully in international market. Local track record is one of the criteria that contribute to the reputation and firm selection especially in international construction project (Xu, Bower & Smith, 2005). Track record in the form of reference projects markets a firm through its past success, creates goodwill and provides benefits in the form of recognition for a possible entry strategy (Gunhan & Arditi, 2005). Prestige or

recognition of foreign qualification is very important in penetrating foreign market. For example, the lack of recognition of foreign qualification may require foreign firms to be trained locally and lengthy period.

Stability

The findings indicate that “Stability” has been identified as the third most important beneficial factor with index value of 0.800 and mean response of “Agree towards Strongly Agree”. Most of Malaysian construction firms tend to provide the stability to the firms through domestic and international construction business by using their resources effectively while conducting construction projects.

Economic stability is an important aspect for a construction firm in construction business in orders them to increase their firm’s profitability and securing the firm against bankruptcy (Hill, 2006). In international construction, most of Malaysian construction firms believe that with exploring international market, it will benefit them in term of getting familiar and establishing strong foothold with international business environment. They also believe that by having this kind of stability in term of financial and constancy in providing business, it will improve business competitiveness among Malaysian construction firms in order to offer better services, competencies and technological capabilities in facing the increasing global competition. The element of stability needs to be there when implementing construction projects as many developing countries are not necessarily poor as they are often rich in recourses. The challenge in getting the stability is turning these resources into new developments (Senin, 2007).

Involvement of Malaysian Construction Firms in International Construction Market

The opinions on the involvement of Malaysian construction firms in the international construction market and the reasons behind their opinion are shown below.

From the results, all of the respondents answered “Yes”. It is clear and obvious that Malaysian construction firms entirely support and encourage all the local construction firms to get involved in international projects to gain a foothold in the market.

Table 5: Involvement of Malaysian Construction Firms in International Construction Market

Opinion	Percentage
Saying “Yes”	100
Saying “No”	0
Total	100

The main reasons for choosing to do business in the international construction market are already identified and recognised. Revealing tendency and relationship found are shown below.

Involvement of Malaysian Construction Firms in International Construction Market

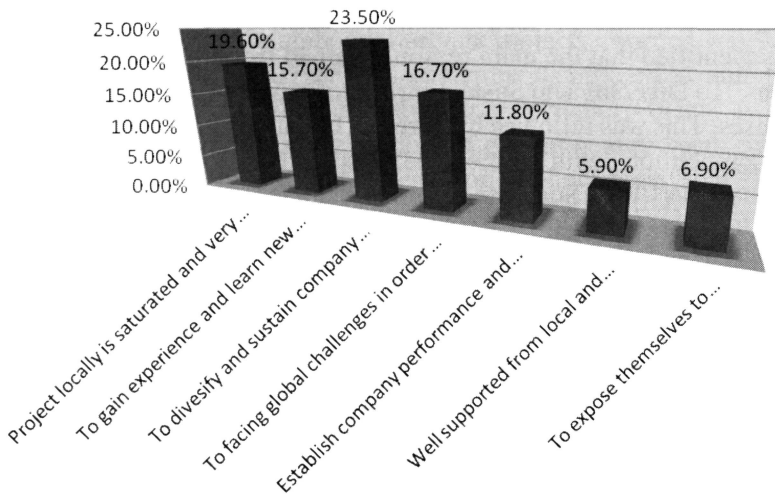


Figure 2: Percentage Frequency of Responses on Involvement of Malaysia Construction Firms in International Construction Market

Reasons to Venture Overseas indicated in Figure 2 are:

- Project Locally Is Saturated and Very Stiff Competition.
- To Gain Experience and Learn New Technologies.
- To Diversify and Sustain Firm Profitability.
- To Facing Global Challenges in Order to Grab the Opportunities and Self Reflection.
- Establish Their Firm Performance and Name.

- F. Well Supported from Local and Foreign Government.
- G. To Expose Themselves to International Risk.

According to CIDB (2008), until December 2007, 485 construction projects valued almost RM86 billion have been transacted by Malaysian construction firms. Furthermore, 20 construction projects valued RM12.5 billion also have been executed throughout 2008. With fewer jobs available locally, the bigger construction firms are tapping the overseas market and reaping the fruits of the move. Construction groups like Gamuda Bhd, Road Builder Holdings (M) Bhd, UEM Construction Sdn Bhd and Bina Puri Holdings Bhd had exported their expertise in highway and bridge construction especially to India, Cambodia, Thailand, Papua New Guinea, Maldives and the Middle East (CIDB, 2007).

Reasons to Venture in International Market

It was identified that the main reason obtained from the responses was reasons “To Diversity and Sustain Firm Profitability” with 23.5% of the responses. This was followed by “Project Locally is Saturated and Very Stiff Competition” with 19.6%. The reason which received the lowest responses was “Well Supported from Local and Foreign Government” with 5.9% of responses.

A. To Diversity and Sustain Firm Profitability

Diversity plays an important role for construction firms in achieving growth, profitability and sustainability through supporting business strategies. It allows firms to better serve their shareholders, local communities and the global marketplace in which their active (Hill, 2006). In general, most of Malaysian construction firms diversify their own workplace to enhance their firm within the local market. Nowadays, in order to sustain firm profitability, they have to go abroad and expand their business. Senin (2007) stated those firms need to do a full study to determine how to position their firms in international environment. Element of expertise needs to be integrate to ensure their success and fulfill the client needs when penetrating the international construction market. Ngowi et al. (2005) stated that for a firm to enter international market and diversify, it must have acquired some important expertise and capabilities. Comprehensive technical and management skills are valuable expertise that differs from one firm to the other. In having special expertise

and contribute it at an early stage in construction, it will ease them in bidding or approach a construction project and integrate them into project structure and hence will result in getting a contract and diverse needs and opportunities within the construction service itself in order to increase firm profitability. (Jouini, Midler & Garel, 2004). Next, once they have established a strong foothold overseas, they need to accommodate diverse needs and opportunities within the construction service itself in order to increase firm profitability.

B. Project Locally is Saturated and Very Stiff Competition

In the last decade, the growth of the Malaysian construction industry has been impressive and remarkable. However, according to data provided by CIDB (2008), the number and value of government and private sector projects have fluctuated in recent years. In terms of numbers of projects awarded, in 2006, the numbers of private projects awarded was 71.9% which is significantly higher than governments projects awarded with 28.1%. However, in 2007, the number of private projects awarded decreased to 58.3% while the number of government projects awarded increased to 41.7% due to implementation of Ninth Malaysian Plan.

On the other hand, the number of construction firms classified under Grade G2 has increased from 15.6% in 2006 to 19.3% in 2007 (CIDB, 2008). Hence, it has become a situation of too many construction firms chasing after too few jobs. In view of stiffer competition in line with increasingly working environment, these construction firms will have to progress and improve their capability in order to ensure their continued existence.

Another factor that leads to the saturated and stiff competition in the local construction market is because of increasing competition from foreign construction firms. Based on data given by CIDB (2008), the market share of foreign construction firms have remained at 1.3% in 2006 and 2007 but the number of projects awarded to foreign firms increased from 74 projects in 2006 to 87 projects in 2007. This was due to higher value construction projects which require specialised skills, particularly for projects in the power, and oil and gas industries where Malaysian local firms lack the knowledge, technical and innovation skills.

Hence, the stiffer competition between local and foreign firms pose a challenge for local firms to enhance their technological capabilities and technical skills, as not only because of the shrinking local construction market, but their share of the market is also decreasing as the value of

projects awarded decreased from 93.3% in 2006 to 93.2% in 2007 (CIDB, 2008).

C. Well Supported from Local and Foreign Government

“Well Supported from Local and Foreign Government” became the least favourite reason on why local construction firms should venture to international market. One of the reasons is because of lack of the encouragement and support shown by Malaysian government to Malaysian construction firms. According to Senin (2007), dependence on government to get a projects is not itself a bad thing. Economies move in cycles, and occasionally there will be a need for the government to spend in order to stimulate and catalyse further economic growth.

Besides, good relationship between Malaysian and foreign government must be established in order to persuade and influence Malaysian firms to go abroad and grab the opportunities in the overseas market. For those firms who are interested to open up new market abroad, the Malaysian government should support and help them in term of financial resources, latest information, and establish a more effective way to develop the entrepreneurial talent who can be recognised as global players and would generate more income for the country as they bring more home profits. Construction industry development Board (CIDB) on behalf of the Malaysian government should continuously support and encourage Malaysian construction firms in penetrating the international market.

Conclusions

The study presented in this paper surveyed the opinions on the analyzing major determinants of goals and benefits in international construction market. Findings indicate that as Malaysian construction firms go international, determining a firm’s basic goals and long-term benefits is an important aspect in exploring international construction projects. It must be indentified before they can implement a plan of action. Malaysian firms must identify the entry goals and benefits with regard to international expansion: what are the missions (entry goal) and the rewards of expanding internationally (entry benefit). The significant goals related to the exploring international market are the profitability of the firm, introduction of operations method and establish market share. Moreover, business expansion, prestige and stability are the major benefits gained

by undertaking international construction work. In term of the willingness of Malaysian firms to expand internationally, it is found that Malaysian construction firms entirely support and encourage all the local firms to expand and explore the international construction contracts. It is identified that most recognized factors on the involvement of Malaysian firms into international are to diversify and sustain firms' profitability and project locally which are saturated and highly competitive. The empirical result also shows that well support from local and foreign government is the least favourite reasons on why local construction firms should venture into the international market. Finally, the results from the study are of relevance to Malaysian construction firms as they illustrate the international construction goals and benefits in the view of exploring international construction projects. This awareness laid the foundation towards developing a Malaysian global builder and hence promoting the export of local construction services into the international market.

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