Abstract

The currency crisis in the early 1997 has surprised many economies, especially the ASEAN 4 and including Singapore. It has also affected the construction industry, resulting in a sharp decline in growth.

Many studies have been done on the impact of the currency crisis on the large firms, with little or no studies done on small construction firms, in particular. This research attempts to study the effect of the owner-manager characteristics and their emphasis on the various types of strategies on the growth rate of small firms that have survived the crisis. It is found that the growth rate of firms surveyed is not highly related to the characteristics of the owner-manager and the cost-cutting strategies that are adopted.

Nevertheless, the evidence that the firms are still in operation is sufficient to testify to the owner-managers' ability in keeping their firms moving, showing the will of the survival of the fittest. There seems to be a perceived inter-relationship between the occurrences of a crisis or problem with cost and / or price as firms in the sample placed much emphasis on cost-reducing strategies. Therefore, it can no longer be assumed that cost-cutting strategies will always bring about a revival of a firm, despite its popularity. In short, many small firms have still perished during the crisis despite adopting cost or price cutting strategies.

Economic conditions cannot always be predicted, but companies should be structured to survive in bad times as well as good times. Small firms should tap the advantages they possess fully and engage more in long-term planning rather than reacting to situations and changes in the environment.