Abstract

In May 2001, Mr Mah Bow Tan, the Singaporean Minister for National Development, announced legislative changes so as to allow construction firms to provide both design and construction services, making cross-disciplinary M & A possible.

The resistance of main contractors and designers towards such M & A is studied so as to understand and better formulate a framework to enable the industry to consolidate. Cross-disciplinary M & A spans two issues: corporate strategy and designer-builder integration.

The study divided its attention between designers and contractors and sought to understand the perceptions of the industry through surveys and follow-up interviews. The literature review conducted suggested that there were three levels of environmental, organizational and individual variables influencing the resistance.

It was established that there was a perceptible resistance present in the industry and that this resistance comprised four main components. These four components are 1) differences between designers and contractors, 2) the industry does not see the need, 3) firms are ‘incapable’ of merging and 4) lack of information. Eighteen enablers were proposed after careful consideration of the industry’s needs and opinions.

Keywords: Cross-disciplinary firm, M & A, strategic management, partnering, integration.