

Competitive strategy revisited: contested concepts and dynamic capabilities

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Abstract

Strategy is a contested concept. The generic literature is characterised by a diverse range of competing theories and alternative perspectives. Traditional models of the competitive strategy of construction firms have tended to focus on exogenous factors. In contrast, the resource-based view of strategic management emphasises the importance of endogenous factors. The more recently espoused concept of dynamic capabilities extends consideration beyond static resources to focus on the ability of firms to re-configure their operating routines to enable responses to changing environments. The relevance of the dynamics capabilities framework to the construction sector is investigated through an exploratory case study of a regional contractor. The focus on how firms continuously adapt to changing environments provides new insights into competitive strategy in the construction sector. Strong support is found for the importance of path dependency in shaping strategic choice. The case study further suggests that strategy is a collective endeavour enacted by a loosely defined group of individual actors. Dynamic capabilities are characterised by an empirical elusiveness and as such are best construed as situated practices embedded within a social and physical context.

Keywords: strategic management, contracting, industry change, case study, dynamic capabilities