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## INDUSTRY STRUCTURE: MISUNDERSTOOD BY INDUSTRY AND RESEARCHERS

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**Abstract:** Misunderstanding of how the construction industry structure works can lead to unseen costs, inefficiencies, higher construction costs, poor results from training programs, and lower value. A deductive based Construction Industry Structure (CIS) analysis was first introduced in 1992. Continual testing of the model in the best value environment and past industry performance in the low bid environment has given deductive validation of the CIS model. Misunderstanding of the CIS may have led to the failure of construction management (CM) research to correct industry issues. CM education/research has become isolated from the construction industry. CM proposes solutions that are management based (control, direction, and inspection). The deductive logic of the CIS identifies the traditional management approach as reactive, inefficient and ineffective in the more developed manufacturing sectors. Traditional CM claims the construction industry is different from all other industries in complexity and uniqueness of construction projects. The assumption is based on observation and inductive logic, and is almost impossible to validate through inductive testing. The traditional inductive logic/testing procedure of validating a theory from observations through testing has not been accomplished. The authors propose that the inductive testing and data requirement is unsupportable by the industry. The authors propose that researchers go back to basic deductive logic, common sense, dominant simplistic models, and deductive testing to increase the efficiency of the construction industry. CIS identifies the construction industry problem as a structural misalignment and a systems issue, and not a unique technical issue. The authors use logic, deductive test results, and results from other industries to validate the proposal.

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