



E-ISSN: 2707-8272  
P-ISSN: 2707-8264  
Impact Factor (RJIF): 5.44  
IJRCET 2025; 6(2): 08-12  
[Journal's Website](#)  
Received: 05-05-2025  
Accepted: 10-06-2025

**Dr. Heera Mani Thapliyal**  
HOD (Arch.), Department of  
Architecture & Planning,  
Hindu College of Design  
Architecture and Planning,  
Delhi, India

**Ankit Arora**  
Associate Professor,  
Department of  
Architecture, Hindu College of  
Design Architecture and  
Planning, Delhi, India

**Corresponding Author:**  
**Dr. Heera Mani Thapliyal**  
HOD (Arch.), Department of  
Architecture & Planning,  
Hindu College of Design  
Architecture and Planning,  
Delhi, India

## Implementation of strategic management practices in Indian real estate

**Heera Mani Thapliyal and Ankit Arora**

**DOI:** <https://doi.org/10.22271/27078264.2025.v6.i2a.89>

### Abstract

Over the past decade, the country has seen a strong emphasis on building physical infrastructure, leading to significant growth in the construction sector. This industry's growing role in driving the national economy became especially clear during the implementation of the Tenth Five-Year Plan, where key sectors like transportation, housing, irrigation, urban planning, and civil aviation received increased attention. The construction industry's impact extends to a wide range of economic and infrastructure areas, including industrial facilities, mining operations, highways, railways, ports, airports, power generation systems, agricultural and irrigation networks, as well as communication systems. It also covers the development of essential public services such as hospitals, schools, housing, office buildings, and townships. Moreover, it contributes to urban infrastructure-like water supply, sewage systems, and drainage-and to rural infrastructure projects. Therefore, construction serves as a foundational element for the country's socio-economic progress.

India's construction sector saw a notable rise in its contribution to the Gross Domestic Product (GDP), reaching ₹4,636.41 billion in the first quarter of 2025, up from ₹3,899.90 billion in the final quarter of 2024. Between 2011 and 2025, the sector has shown an average GDP contribution of ₹2,591.23 billion. The highest ever recorded contribution came in early 2025, while the lowest was ₹1,437.71 billion, seen during the second quarter of 2020.

The rise in the construction sector's contribution to GDP is largely driven by a surge in public investment in physical infrastructure over recent years. With consistent backing from the government through key initiatives like the Dedicated Freight Corridor, Bharatmala, Sagarmala, Smart Cities Mission, and Pradhan Mantri Awas Yojana, the sector has witnessed substantial growth. At constant prices, its output expanded to ₹14.36 trillion in the financial year 2024, up from ₹7.77 trillion in 2012, reflecting a compound annual growth rate (CAGR) of 5.25%. Over the past five years, the construction industry has seen a significant increase in workload and has been expanding at an annual pace exceeding 10%.

While several efforts have been made to enhance the construction sector, it remains essential to implement further actions that can equip the industry to handle future growth challenges effectively. Therefore, this is an opportune moment to prioritize strategic management within India's construction industry.

**Keywords:** Strategic management, Indian real estate, construction sector, infrastructure development, economic growth, GDP contribution, government initiatives, physical infrastructure, urban planning, public investment

### 1. Introduction

**1.1 Introduction:** Strategic management refers to a series of managerial choices and activities that shape a company's long-term success. It involves the development of strategies, their execution, and ongoing assessment and oversight. Alternatively, it can be described as both an art and a science concerned with creating, executing, and reviewing decisions that span across various departments, helping an organization reach its goals.

Strategic management involves the process of decision-making and implementing necessary adjustments to accomplish an organization's long-term objectives. Its significance within a business can be understood by examining how it influences overall organizational performance. In most cases, applying strategic management techniques helps enhance the effectiveness and productivity of different types of organizations.

The implementation of strategic management across diverse industries has traditionally served as a response to dynamic market conditions, evolving consumer preferences, and rapid technological advancements. The presence of a well-articulated strategic vision within

an organization significantly contributes to its operational performance and competitive positioning. Moreover, the formulation and execution of an effective strategy are critical for ensuring organizational resilience, long-term sustainability, and continued progression in an increasingly complex business environment.

**1.2 Need:** In the context of the Indian construction sector, the industry's ability to embrace innovation and manage transformative change has frequently been a subject of academic and policy debate. The construction industry operates within a constantly evolving environment, marked by shifts in project volume, variation in project types, and evolving methods of managing these dynamics. Moreover, the acceleration of technological progress, advancements in communication systems, and increased globalization have redefined conventional understandings of time, distance, and geographic boundaries. While several Indian construction firms have successfully adapted by integrating modern technologies and innovative contractual models to strengthen their competitive positioning, others have remained inflexible, resulting in stagnation and reduced market relevance.

**1.3 Aim:** To investigate the strategic factors, their defining characteristics, and mutual interrelations that enhance competitive advantage and influence the performance of firms within the Indian construction industry.

#### 1.4 Objectives

- To examine the role and relevance of strategic management in the context of the Indian construction sector.
- To identify and analyze key strategic elements, their features, and the interconnections among them.
- To develop a conceptual framework that illustrates the relationships between the identified strategic factors.

## 2. Literature Study

### 2.1 Intent

To establish a solid foundation for the study, an extensive review of existing literature was conducted to gather essential background information, relevant terminology, historical data, and insights from previous research on the subject.

### 2.2 Books

Various books have been referred for the in depth study of the subject.

Below are a few of the books which were majorly referred to with their relevance to the selected for research topic.

#### 2.2.1. Strategic Management in Construction

**Author:** David Langford and Steven Male

##### Abstract

This study emphasizes the strategic significance of various factors influencing the construction industry by drawing upon interdisciplinary insights from economics, management, marketing, political science, and business studies. It presents an integrated approach to strategy formulation for construction companies and allied professional services. Key themes explored include the distinction between strategic approaches tailored for

construction contractors and those for consulting professionals, along with practical interpretations of theoretical frameworks. Given the impact of globalization and advanced communication technologies, many construction firms have expanded their operations internationally. In response, the work incorporates a dedicated discussion on global strategic management. Furthermore, it includes a focused analysis on marketing strategies, demonstrating how marketing can play a vital role in shaping the long-term planning and competitiveness of construction enterprises.

### 2.3. Journals

Various journals have also been referred for the in depth study of the subject.

Below are a few of them which were majorly referred to with their relevance to the selected for research topic.

#### 2.3.1. Strategic management tools in projects case construction project

**Author:** Marja Naaranoja, Paivi Haapalainen, Heikki Lonka  
**Year of Publishing – 2007** <sup>[6]</sup>

##### Abstract

The paper discusses the important role of using mission, vision and strategy in most organizations today. Mission is the reason why the organization exists. Vision is the ideal state of the organization in the future. Strategy defines the way of how to get towards the ideal state introduced in the vision. These tools are considered to be very useful in guiding the whole organization into the same direction.

Different ways of producing mission, vision and strategy have been developed. In projects, using these tools is still quite rare even though it is acknowledged that projects in an organization should support the overall strategy of the organization. In addition, every project should have a clear direction where to go and this direction should be stated to every stakeholder of the project. In this paper the possibilities of using strategic management tools in project environment are also discussed.

A case study is used to illustrate the use of strategic management tools in a construction project. The construction project is still going on, but already now it can be seen that vision building really helped getting the end user organization committed, and they have been very active in all steps of the design process, e.g. given their opinions in different matters. The vision has also been used when prioritizing different choices.

#### 2.3.2. Implementation of Strategic Management Practices in the Malaysian Construction Industry

**Author:** Abu Hassan, Abu Bakar

**Year of Publishing:** 2011

##### Abstract

The objective of this paper was to study the practice of strategic management in construction companies in Malaysia.

This study explores strategic management as a process involving informed decision-making and corrective actions aimed at accomplishing an organization's long-term objectives. The value of strategic management within a firm can be better understood by examining how it correlates

with overall organizational performance. In general, the application of strategic management practices has been shown to enhance operational efficiency across various types of organizations.

For the purpose of this research, questionnaires were distributed to 300 major construction firms classified under the G7 category by the Construction Industry Development Board (CIDB). The survey achieved a 26% response rate, with 78 companies providing feedback. The results indicated that organizations engaged in strategic management commonly demonstrate well-defined goals, implement effective strategies to meet those goals, and maintain a clear mission statement that helps steer the company toward long-term success.

Above studies shall help to understand and analyze the strategic management factors and also to develop different relationships between them.

### 3. Strategic Management

#### 3.1 Strategy

Strategy has long been a topic of interest for leaders in politics, the military, and business. Some of the earliest known efforts to conceptualize strategy can be traced back to Roman military generals, who attempted to document tactical choices on the battlefield. In the business world, the widespread recognition of the importance of strategic thinking is reflected in the extensive body of literature devoted to the subject. While much of this foundational knowledge has been shaped by academics and theorists, it is ultimately practitioners who must evaluate and determine how to adapt these ideas within their specific industries. This challenge is particularly evident in the construction sector, where strategic management literature remains relatively limited. Nonetheless, scholars such as Newcombe, Channon, and Grinyer have made significant contributions in introducing strategic management concepts to professionals within construction management.

#### 3.2 Strategic management

Strategic management is a structured and deliberate approach that enables top-level management to align the organization with its external environment, thereby ensuring long-term sustainability and reducing vulnerability to unexpected challenges. It involves making strategic decisions and outlining the steps necessary for their effective execution. Typically, strategic management is understood to encompass three core components. The first is strategic analysis, where the focus lies on assessing the organization's current position and external environment. The second is strategic choice, which involves generating alternative courses of action, evaluating their potential, and selecting the most suitable option. The third element is strategy implementation, which deals with the practical planning and execution of the selected strategy. Although traditional literature often presents these stages as linear, in practice, they are closely interlinked and may influence one another such as when early stages of implementation prompt a reassessment of previously chosen strategies.

#### 3.3 Concept of Strategy

Despite varied interpretations, several common ideas underpin the definition of strategy. At its core, strategy focuses on identifying the means to achieve desired

outcomes-it is fundamentally about reaching set goals and objectives.

In another sense, strategy can be understood as a guiding framework or a set of principles that influence how decisions are made within an organization. These strategic guidelines may be formally stated or informally understood, sometimes confined to top-level leadership or, in other cases, communicated throughout the organization to establish a unified direction.

Two predominant schools of thought have developed regarding the nature of strategy:

- The first considers strategy as a deliberate planning process. From this standpoint, strategy is clearly defined in advance, structured, and implemented through a formal plan developed by management to achieve organizational goals.
- The second approach views strategy as an evolving process. Here, strategy is seen as emerging gradually through a series of key decisions rather than being predetermined. It is adaptive, shaped by changing circumstances rather than a fixed blueprint.

#### 3.4 Importance of Strategic Management

In today's fast-evolving business landscape, it is essential for organizations to maintain a heightened awareness of external changes and understand their potential impact. Companies must strive to maintain operational stability and proactively avoid disruptions caused by unexpected strategic shifts. Conducting a systematic evaluation of internal strengths and weaknesses, and aligning them with external opportunities and threats, is vital for sustaining competitiveness in the market. Larger enterprises often face challenges in implementing rapid change, making it imperative to anticipate shifts early and prepare suitable strategies in advance. A clearly defined strategic direction contributes to organizational alignment, as it provides employees with a shared understanding of the company's goals and enables them to align their efforts accordingly. Furthermore, when an organization's actions are strategically planned with realistic expectations of outcomes, it is more likely to achieve steady financial performance.

#### 3.5 Levels of Strategy

- **The corporate level:** This involves decisions about the overall scope of the business, specifically determining which industries or markets the organization should operate in.
- **The business level:** At this level, the focus is on how the company can effectively compete within a specific market or sector.
- **The operational level:** Here, strategic choices are made by department heads-such as those overseeing procurement, equipment, or cost estimation-as well as by project managers. In construction firms, these operational decisions can significantly influence the company's overall performance, as individual projects often account for a substantial share of both revenue and profit.

### 4. Analysis and Discussion

To examine the elements influencing the strategic management process, input was gathered from seasoned professionals working within India's construction sector.

This helped validate the relevance and applicability of the strategic management framework discussed in earlier sections of the study. Building upon insights from the literature review and case analyses, several influencing factors had already been identified. To further refine and confirm these findings, data was collected through structured questionnaires and expert interviews. As a result, 17 key factors emerged as both common and significant. The study involved participation from 20 professionals representing various construction firms, each with a minimum of five years of industry experience, and some with over three decades of expertise.

#### 4.1 Results Based on the Questionnaire

The result of the study in this chapter indicates that 'assessment of ongoing strategic initiatives' is the most important factor in a strategic management process, followed by 'company's vision statement', and subsequently followed by 'establishment of long term objectives for any company'. Hence, the above three becoming the three most important factors in a strategic management process.

Other factors like SWOT analysis, readiness to organisational change, definition of mission statement, selection of strategies to be pursued, company's board support, motivation among the stakeholders and sense of ownership, financial capacity to implement relevant strategies, are among the most significant and common factors affecting the strategic management process. Also a hierarchy in the 20 common and significant factors is identified based on the questionnaire survey as shown in table below.

The questionnaire is attached as an appendix at the end of this study report.

#### 4.2 Proposed Conceptual Model

Figure 12 Proposed Conceptual Strategic Management Model.

A conceptual model was proposed on the basis of literature review, learning's from the case study, and findings from the questionnaire survey as shown above. Subsequently, the proposed model was implemented on the case study taken in the previous chapters.

### 5. Conclusions and Future Scope

#### 5.1 Prologue

The construction industry is responsible for delivering essential infrastructure, facilities, and resources that support national development. A country's overall progress is often linked to the success of its development initiatives, which in turn rely heavily on the presence of a well-defined strategic approach. Therefore, the strategic management process becomes increasingly vital. In the current scenario, where there is a high demand for diverse construction activities amidst economic uncertainty and financial constraints, the industry faces significant challenges.

Achieving project success-defined by the fulfillment of objectives, adherence to budget constraints, and timely completion-is rarely possible without a comprehensive and effective strategic management plan. Whether managing a construction firm or an individual project, the use of appropriate tools and techniques is crucial. In such a dynamic and unpredictable environment, the continuous process of formulating, assessing, and executing strategies

requires thoughtful selection and adaptation of these management tools to ensure relevance and effectiveness.

Despite advancements in technology and a deeper grasp of project management principles, attaining the expected outcomes remains a challenge in the absence of a well-structured strategic management process.

This highlights the critical need to identify and examine the key elements that significantly influence the strategic management framework-particularly within the context of the Indian construction industry, where such insights are essential for ensuring effective decision-making and long-term project success.

#### 5.2 Conclusions

Completing a project successfully within the planned timeframe and allocated resources-is a fundamental benchmark for any successful enterprise. To achieve this, a range of systems, practices, and methodologies are implemented across industries. Yet, the construction sector, particularly in India, continues to face considerable challenges in effectively applying strategic management principles. In light of these ongoing issues, the present study aims to explore and analyze the various components that influence the strategic management process within the construction industry.

In Chapter 1, the intent of the study was introduced by defining the aims, objectives for the study.

In Chapter 2, a thorough literature study was carried out to understand the various works done on the chosen subject in the past studies.

In Chapter 3, the concept of strategic management was understood, and subsequently in chapter 4, the relevance of strategic management in construction industry was understood. Various concepts and past researches were studied.

Results showed that 'assessment of ongoing strategic initiatives' is the most important factor in a strategic management process, followed by 'company's vision statement', and subsequently followed by 'establishment of long term objectives for any company'. Hence, the above three becoming the three most important factors in a strategic management process.

Other factors like SWOT analysis, readiness to organisational change, definition of mission statement, selection of strategies to be pursued, company's board support, motivation among the stakeholders and sense of ownership, financial capacity to implement relevant strategies, are among the most significant and common factors affecting the strategic management process.

#### 5.3 Recommendations

A probable strategic management plan could be prepared using the proposed model.

For very specific causes, previous projects of similar nature can be studied before preparing the strategic management plan.

#### 5.4 Future Scope

The future scope of study can be extended to identify significant factors for specific types of construction companies using the results presented in Chapter 6. Various tools and techniques could be studied and applied for determining various strategies for different components in



the model proposed. Finally, different models for each component could be proposed using studied techniques.

### References

1. David FR. Strategic management: concepts and cases. 13th ed. s.l.: s.n.
2. Hill CW, Jones GR. Strategic management: an integrated approach. s.l.: s.n.
3. Hitt M, Ireland R, Hoskisson R. Strategic management: competitiveness and globalisation. 9th ed. s.l.: s.n..
4. Kaiser S. Strategic management of professional service firms. s.l.: Springer.
5. Langford D, Male S. Strategic management in construction. 2nd ed. Oxford (UK): Blackwell Science; 2001.
6. Naaranoja M, Haapalainen PH, Lonka H. Strategic management tools in projects: case construction project. *Int J Proj Manag.* 2007;25(7):659–665.
7. Thompson J, Martin F. Strategic management: awareness and change. 5th ed. s.l.: Thomson.