

# **A STUDY ON ETHICS PRACTICES OF CONSTRUCTION INDUSTRY IN WILAYAH PERSEKUTUAN**

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### **SUPERVISOR'S DECLARATION**

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality for the award of the Degree of Bachelor of Project Management with Honours.

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### **STUDENT'S DECLARATION**

I hereby declare that the work in this project is my own except for quotations and summaries which have been duly acknowledged. The project has not been accepted for any degree and is not concurrently submitted for award of other degree.

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## DEDICATION

*This dissertation is dedicated to my parents*

*Hj. Aziz Bin Hashim and Hjh. Saleha Binti Shafie*

*Pain forms success because of my parents become the strength and very supportive  
through ups and downs.*

*Thanks for being superb.*

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## **ABSTRACT**

Ethics is a crucial factor to maintain good reputation of construction industry and generate economic growth in Malaysia. According to Weymes (2005), the growing demand of good ethics practices in any forms of business has been highlighted numerously. Increasing numbers of ethical issues shows the lack of ethics practices in construction industry of this country. Construction industry has been one of the contributors to the economic growth of Malaysia and this industry should be at the best reputation to maintain as the top contributor. Hence, the purpose of this research is to provide the industry with effective methods in encountering ethical issues. Questionnaire survey is used to obtain data from 291 respondents which are contractors in Wilayah Persekutuan. Thus, the data analysis provided that economic downturn, national objectives, leadership and non-transparent of selection process are the causes to ethical issues. Effective methods that are the best to implement is Code of Conduct and early education. To conclude, ethics practices should be implemented in construction industry because this industry is the main contributor to economic development of this country.

## **ABSTRAK**

Etika merupakan faktor penting untuk mengekalkan reputasi yang baik dalam industri pembinaan dan menjana pertumbuhan ekonomi di Malaysia. Menurut Weymes (2005), permintaan yang semakin meningkat amalan etika yang baik dalam mana-mana bentuk perniagaan telah diketengahkan banyak sekali. Semakin banyak isu-isu etika menunjukkan kekurangan amalan etika dalam industri pembinaan di negara ini. Industri pembinaan telah menjadi salah satu penyumbang kepada pertumbuhan ekonomi Malaysia dan industri ini hendaklah sekurang reputasi yang terbaik untuk mengekalkan sebagai penyumbang utama. Oleh itu, tujuan kajian ini adalah untuk menyediakan industri dengan kaedah yang berkesan dalam menghadapi isu-isu etika. Soal selidik digunakan untuk mendapatkan data daripada 291 responden yang kontraktor di Wilayah Persekutuan. Oleh itu, analisis data dengan syarat kelembapan ekonomi, matlamat, kepimpinan dan tidak telus proses pemilihan adalah penyebab kepada isu-isu etika. Kaedah yang berkesan yang terbaik untuk melaksanakannya adalah Tatakelakuan dan pendidikan awal. Kesimpulannya, amalan etika perlu dilaksanakan dalam industri pembinaan kerana industri ini merupakan penyumbang utama kepada pembangunan ekonomi negara ini.



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## **LIST OF ABBREVIATIONS**

ACA	Anti-Corruption Agency
CEO	Chief Executive Officer
CIDB	Construction Industry Development Board
CIMP	Construction Industry Master Plan
CIPAA	Construction Industry Payment and Adjudication Act
CPD	Continuing Professional Development
GDP	Gross Domestic Product
GST	Goods & Services Tax
IIM	Integrity Institute of Malaysia
MACC	Malaysia Anti-Corruption Commission
MoC	Memorandum of Cooperation
MRR2	Middle Road Ring Two
MRT	Mass Rapid Transit
PAA	Payment and Adjudication Act
PEMANDU	Performance Management and Delivery Unit
PPE	Personal Protection Equipment
POCA	Proceeds of Crime Act 2002
SPSS	Statistical Package for the Social Science

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 INTRODUCTION**

Project Management is very familiar to the construction industry. It covers five main process such as planning, designing, financing, constructing and operating physical facilities which has a different perspective on project management for construction and specializing knowledge that can be very beneficial, predominantly in large and complex projects as it involves expertise in various specialities to provide valued services. However, it is very crucial to understand the ways of the different parts of the process getting together. Cost, scope and time are the triple constraints that usually need to be careful look when it coming together under project management. As a project management graphic aid, a triangle can show time, resources, and technical objective as the sides of a triangle, instead of the corners (Carl, Chatfield, Timothy & Johnson, 2003). Overlook on this triple constraints will cause excessive cost and delays as well as it resulted from poor coordination and communication breakdown among expertise.

Time means money, under extreme competition in the construction industry. Efficiency is a fundamental to construction projects after quality control. Hence, project management plays a vital role in each stage as from planning to implementation. There are many problems in the construction industry management such as multi-faceted which includes employment of illegal site workers, illegally dumping construction

waste, etc. However, the main problem in the construction management is lack of staff supervision which always slack and causes immoral employees to take the opportunities for granted by abusing their official power for personal gain. Employees that are mentioned are all the stakeholders involve in a project like project manager, engineers, architects and site workers.

However, quality and ethics are should be concomitant as to succeed in a project, individuals involve in the project should practice ethical practices. Quality is always related to ethical behaviour where one should do right things as it is effective to mend competitiveness, reduce costs, and fulfil customer's satisfaction (Besterfield & Dale, 2003). According to George (1990) as cited from Everingham & London (2006), ethics is a systematic attempt to make sense of individual and social moral experience, in a way to determine the rules that ought to govern human conduct. Therefore, most of the individuals involved in the construction industry are not practicing good ethics practices. Those individuals are immoral and selfish as they only think on how to satisfy their desires. Consequences of unethical practices in the construction industry are severe. It is not only chucks the company's profit but also leads to poor quality of the construction work as it causes harms to human life.

As prevention is better than cure, good ethics practices of project management in construction field should be implemented to help reduce all the immoral behaviour and have a clean business's deal. The growing demand of good ethics practices in any forms of business has been highlighted numerously (Weymes, 2005). Thus, this research is to study the causes, impacts and remedies for preventing unethical practices of project management in construction industry by referencing a few cases on this issue. This will help in enhancing the quality of work and competitive edge of a construction company in order to achieve excellence. It is strongly proven that quality of projects is dependent on ethical behaviour in construction field as even succeed in projects, it would be not fulfil customer's satisfaction and low quality (Rahman, Wang & Yap, 2010).

According to Oxford English Dictionary, ethics refer to the morals principles where a person is guided. Ethics can be important in many fields including project management. Ethics also always described as “doing right thing” and it is measured based on the degree of the trustworthiness and integrity in by which companies and individual conduct business (Mason, 2009). Conferring to the previous study from Mason (2009), he proposed that ethics are concerned about trustworthy and integrity for the customers especially in business. However, ethics are very important in construction field as well because in terms of managing projects, ethics play important roles to gain trustworthy from stakeholders. Stakeholders by mean are the person involves direct or indirectly in an organization and affect the organization’s objectives. Ethics are related to ethical behaviour in which described oneself “good” or “right” behaviour in philosophy. According to Bommer, Gratto, Gravander & Tuttle (1987), ethical behaviours are explained as those behaviours the correctness by which constitutes the moral intuition in business and the professions. This explanation is about individual who are having a right behaviour will show a good image on behalf of the professions that they have as their careers. In construction industry, a project manager should have a good behaviour as he/she represents the company’s image and to endure he/she reputation as an ethical project manager.

Agreeing to Rosenthal & Rosnow (1991), they mentioned that ‘...*ethics refers to the system of moral values by which the rights and wrongs of behaviour... are judged*’. The statement is about ethics that is not only refer to values instead ethics’ reference should be made to principles and standards concerning behaviour.

## **1.2 BACKGROUND OF PROPOSED STUDY**

Ethics is the branch of philosophy which study on morality and the ways of thinking which guide human behaviour according to Everingham & London (2006). They have studied on ethics that implicates testing moral standards of society and asking how these standards apply to society’s lives and whether these standards are either reasonable or unreasonable. Yet, in construction industry this idea of standards of conduct is important to all participants operating at all tiers of projects and the study is

supported by a study conducted Vee & Skitmore (2003) studies in which one of the factors that determine whether an act is wrong or right. Hence, as an effort to promote ethics in the construction industry in Malaysia, Construction Industry Development Board (CIDB) has collaborated with the industry's stakeholders to formulate the Construction Industry Master Plan (CIMP). It is very important to maintain a good image and reputation of construction industry by practicing a high ethical standard. Ethics is judged by the company's reputation in which by looking the result of its integrity to employees and business world conferring to Scalza (2011). Ethics are not well practiced in Malaysia which causes a widespread of unethical practices especially bribery and corruption. Bribery and corruption are considered as cancer in human civilization as it gives adverse impact on the progress of mankind and all scale of development. As Malaysia is one of developing countries, this problem is not well-known in spite there are some cases involving these unethical practices such as bribery, corruption, deception, fraud etc. Mainly, bribery and corruption are the highest cases in construction industry in Malaysia.

Unethical practices such as bribery, corruption, deception, fraud etc. are prevailing in almost all areas in government and some private organizations activities from top to down level in Malaysia. Malaysia has been ranked as one of the most corrupt nations and listed as a country which is most likely to take shortcuts to meet targets when economic times are tough, according to a recent survey by Ernst & Young (2013), signalling that the government's Performance Management and Delivery Unit (Pemandu) has failed in its role to transform the economy (The Malaysian Insider, 2013). Therefore, these unethical practices have become a 'trend' in which they will only get goods or services by giving bribe. Policymaker to field level employees have been dominated by these activities. The targets are always politicians, law enforcement officials, judges, prosecutors, custom officials.

As ethics is very important to ensure the project success, there was a recommendation, *"foster an ethical culture by enhancing education and training on ethics for construction students and practitioners"* (Suen, Cheung & Mondejar, 2007), implicating that all people who involve in construction industry should learn ethics and practice it. One's background will influence their ethical decisions and they will make

the decision whether to do the right or wrong ways. Thus, they should have a good background in terms of attitudes, home-learning, and education (Suen *et al.* 2007). In this research, the study of prominence of ethics is necessary after causes and impacts have been identified.

Even though, Malaysia are not ranked in countries with corruption especially in construction industry. Indeed, it is not a good news to the citizens because the risks have not be identified. Malaysia yet has those problems and not be widespread.

This research is emphasized on the causes of ethical issues happen in construction industry such as economic downturn, national objectives, leadership, non-transparent selection process and ineffective evaluation of process. There are some other causes which are not strong enough in giving impacts in construction industry and this research will select companies under Construction Industry Department Board (CIDB).

### **1.3 PROBLEM STATEMENT**

Project manager is always facing with issues that are not easily resolved by theory or the knowledge acquired from formal training especially in construction industry. Ethical issues are usually not of a technical nature and more often tend to be human resource issues. The satisfactory answer is often debatable and may suit one set of circumstances and yet not another. It is these difficult issues where the Project Management must draw from their practical experiences, moral and ethical obligations, and sometimes the rule of law.

According to Ehsan, Anwar & Talha (2009), ethics is a subject that is not taught in schools, colleges, universities in spite of the importance of this subject for the profession. Therefore that, ethics cannot be learned formally in those institutions but ethics should be taught since children by which applying moral values to children. In this case, parents are responsible to teach their children good behaviours on how to live their good life in future. Nevertheless, parents are not only required to teach their

children but they should play a good role in front of their children as children will follow what their parents are doing. Thus, parents should apply good ethics in their professions as well as showing good behaviours.

Under Anti-Corruption Code for Individuals in the Construction and Engineering Industry has stated that, bribery, deception and fraud may occur in relation to construction projects and the disputes arising from them. It outlines over 47 scenarios involve in these unethical practices. According Mishra & Mittal (2011), ethical practices will sustain project success by making moral considerations *“logically relevant to the organizational decision making”* by which it is relation between consumers’ awareness and decision making. These moral issues will guarantee the sustainability of consumers in projects.

There are several areas which leads to ethics practices in the construction industry. Areas of particular concern in the construction industry are joint venture arrangements, facilitation payments, sub-contracting, procurement agents, contract administration, unjustified calls on bank guarantees and bonds, project financing and witness evidence (Construction Law Journal, 2013).

Area in joint venture arrangements is usually involving larger projects that are often acquired pursuant to joint venture or alliance arrangements. Difficulty may face in these arrangements, therefore an appropriate processes and procedures should be implemented by one partner and not the other meanwhile for joint venture partners may effectively mutually and liable for all the fellow partners. A quote from Karl Kraus (1872-1936) said that:

*“Corruption is worse than prostitution. The latter might endanger the morals of an individual, the former invariably endangers the morals of the entire country.”*

It is obviously stated than if comparison between corruption and prostitution is done, corruption is worse than prostitution because it shows uncivilized people. Somehow, it might affect the society with such irresponsible and bad attitude.

Therefore, corruption will influence the society as people lives in desperation nowadays because a decrease of economics. It also will ruins the morality in the society.

Ethics practices have been an issue of construction industry in Malaysia as it influence the quality and reputation of construction industry. According to Pearl, Bowen, Makanjee, Akintoye and Evans (2005), a researcher in South Africa, he identified several ethical dilemmas in the construction field such as corruption, bribery, negligence, conflict of interest, bid cutting , under bidding, collusive tendering, cover pricing, front loading, bid shopping, withdrawal of tender, and payment game. These ethical dilemmas show that unethical practices have been widespread in other foreign countries as well and become a major concern. Thus, the problem should not be overlooked as it will become worst if there is no action taken to encounter it.

The government of Malaysia, they are very serious on cultivating ethics in both public and private sectors. Codes of ethics for contractors has been introduced by construction industry to prove that they are concerning on ethics problem. Besides, to encourage self-regulation among the contractors in this field. Stakeholders in construction projects are advised to implement the existing code of ethics to maintain the engineer's good name (The Star, 2006c).

Currently, in order to improve ethical performance in all dealings, construction industry is engaging in trust-based partnering which adopt high ethical standards. It should be included reliability, delivery of promises, open and honest communications, respects and reciprocity and a willingness to act judiciously towards each other, and to build sustainable relationships. Ethics practices play an important role in enhancing construction field.

These unethical practices are lead to the bribery and corruptions. Bribery is potentially exposed to those individuals who manage tender processes for sub-contracted work and services. Indeed, it is obviously seen throughout the supply chain. Mostly, in ultimate competition they need to constitute bribery due to gain material incentives.



Procurement agents are usually involve parties that seeking for source materials, plant and equipment at reasonable prices. Procurement agents are vivaciously exposed to bribery and corruption because they are severely influence decisions to choice of suppliers. In this matter, an adequate of risk assessment should be done by the employer as make it balance by including anti-bribery measures.

Contract administrators have a duty to act independently between their employer and the contractor. However, some may agree that contract administrators are the person of employer and they have no such duty. If the employer choose not to appoint third party contract administrator, hence a lot of efforts are required to have an adequate anti-bribery processes and procedures, and have been satisfied. Certainly, they may also offer bribes due to facilitate approval of claims for additional money or time which is not properly justified.

Unjustified calls on bank guarantees and bonds may also be the subject of bribery offences in such an unlawful calls from bank, payment security or other forms of performances. As example, an immoral employer wants to convert a bank guarantee might bribe the contract administrator to assist with the conversion. Indeed, unlawful calls against bank guarantees and bonds are result from funds received by beneficiaries which constitute to criminal property under the Proceeds of Crime Act 2002 (POCA).

Larger projects are frequently financed through debt and/or equity funding. At the very minimum, they will not engage to bribery or corruption as the recipients of the funding represent their lenders. Moreover, in order to monitor and avoid future bribery and corruption, a strict controls are designed for future funding and add considerably to financing costs.

Bribes may also be offered to witnesses by feverish parties with the intention of advancing or undermining claims and defences in the event of legal proceedings, such as litigation, or arbitration. Bribery offences will be committed to those parties who agree to do so and who provide false evidence as well as offences against the administration of justice such as contempt of court.

#### **1.4 RESEARCH OBJECTIVES**

- To investigate causes of ethical issues of project management in construction industry.
- To study the effective methods in encountering ethical issues of project management in construction industry.

#### **1.5 RESEARCH QUESTIONS**

- What are the causes and people involves in this ethical issues?
- What are the approaches to encounter the challenges on ethical issues.

#### **1.6 SCOPE OF RESEARCH**

This research is to investigate methods used to combat ethical issues in project management specializing in construction industry in Wilayah Persekutuan. Ethical issues are very important to keep good reputation of a company, thus methods involve are Code of Conduct, early education and ethics training. This scope of research is finding respondents who are related to the causes and effective methods of this ethical issues in the selected area at Wilayah Persekutuan. The respondents are selected among all contractors that have been registered under Construction Industry Department Board (CIDB) in Wilayah Persekutuan. Wilayah Persekutuan is an area that develop rapidly. Many of multi-high levels construction projects are developed in this area. Thus, high possibility of bribery and corruption to occur which permits to do research on ethics practices in Wilayah Persekutuan as most of the contractors are not aware about the importance of ethics practices.

## **1.7 SIGNIFICANT OF THE STUDY**

Ethics practices are very well-known all over the world including a development country, Malaysia. The selected area, Wilayah Persekutuan has many construction companies by which may have been exposed into this problem. There are many researchers have been working on this study of ethics practices in construction industry and they have developed many theories and study many cases which might include Malaysia. Different writers from all over the world includes Malaysia tried to discuss about this ethics practices and from different viewpoint. They also have developed concept, causes, impacts, consequences of unethical practices according to their country's interest or perspective. Some might take others perspective such as project managers, contractors, engineers and site workers.

Good ethics are the way of individuals involve in construction field to gain trust and confidence from customers and public, depending not only on practice on the system, procedure, rules, and regulations in the industry but on the construction professionals' competency as well (Mohamad, Rahman, Usman & Tawil, 2015).

## **1.8 DEFINITION OF TERM**

### **1.8.1 Ethics Practices**

Ethics or ethical practices are pertaining to or dealing with morals or the principles of morality. Referring to William & Elder (2006), ethics is based on a standards of right or wrong on one's behaviour.

### **1.8.2 Unethical practices**

Lacking moral principles or unwilling to adhere to proper rules of conduct.

### **1.8.3 Forms of Unethical Practices**

#### **1.8.3.1 Bribery**

According Black's Law Dictionary, bribery is the offering, giving, receiving, or soliciting of any item of value to influence the actions of an official or other person in charge of a public or legal duty.

#### **1.8.3.2 Corruption**

Misuse of public power (by elected politician or appointed civil servant) for private gain cited from Tanzi (1998).

#### **1.8.3.3 Fraud**

The crime of using dishonest methods to take something valuable from another person. According to Chapman & Smith (2001), fraud is not lure community and reaction of political like other crimes.

#### **1.8.3.4 Deception**

An untrue falsehood, or is the act of lying to or tricking someone. Deception may referred as an introduction to false belief in another in accordance to Hall & Pritchard (1996).

### **1.8.4 Types of Ethical Practices**

#### **1.8.4.1 Justice Practices**

A succinct guide for just practices in the workplace.

#### **1.8.4.2 Integrity Practices**

Courage by all the members in an organization to do what is right or accept other's opinion.

#### **1.8.4.3 Confidentiality and Privacy Practices**

A practice where members of an organization refrain from any rumours about other members private issues.

#### **1.8.4.4 Self-Control Practices**

Employees who can control their emotions and actions exhibit behaviour in the workplace when challenging situations arise.

### **1.8.5 Ethical Approaches**

#### **1.8.5.1 Utilitarian Approach**

This approach is dealing with consequences where it tries to increase the good done and diminish the harm done. Therefore, in order to get a greater balance between good over harm, ethical action must be taken. However, the ethical corporate action, gives effect to customers, employees, stakeholders, the community, and the environment. Ethical warfare balances end up terrorism with the harm done to all parties through death, injuries, and destruction.

#### **1.8.5.2 Rights Approach**

This approach is explaining about a belief that have a dignity based on their human nature or ability to choose what they want to with their lives. Rights to make oneself own choices on what kind of life to be chosen, to be told the truth, not to be injured, to a degree of privacy and often debated on some arguments that non-humans

have rights too are included in the list of rights. Therefore that rights indicate duties which is particular in the duty to respect others' rights.

#### **1.8.5.3 Fairness of Justice Approach**

Aristotle and other Greek philosophers have contributed the idea that all equals should be treated equally. Today we use this idea to say that ethical actions treat all human beings equally -- or if unequally, then fairly, based on some standard that is defensible. We pay people more based on their harder work or the greater amount that they contribute to an organization, and say that is fair. But there is a debate over CEO salaries that are hundreds of times larger than the pay of others; many ask whether the huge disparity is based on a defensible standard or whether it is the result of an imbalance of power and hence is unfair.

#### **1.8.5.4 Common-Good Approach**

The Greek philosophers have notion that living in a community is a good in itself and our actions should contribute to that life. This approach proposes that interlocking relationship in society are the basis of ethical reasoning which emphasis on respect and compassion to others vulnerable includes requirements of such reasoning. In this approach also propose that common conditions are crucial to the welfare of everyone. This may be a system of laws, effective police and fire departments ,health care, a public educational system, or even public recreation areas.

#### **1.8.5.5 Virtue Approach**

A very ancient approach to ethics is that ethical actions ought to be consistent with certain ideal virtues that provide for the full development of our humanity. These virtues are dispositions and habits that enable us to act according to the highest potential of our character and on behalf of values like truth and beauty. Honesty, courage, compassion, generosity, tolerance, love, fidelity, integrity, fairness, self-control, and prudence are all examples of virtues.

### **1.8.6 Ethical Congruence**

It is refer to a situation whereas a decision is consistent with, aligns with, the applicable set(s) of values. Actions taken by choices will harmonize with the decision-maker's values. The organizational state where values, behaviours and perceptions are aligned.

### **1.8.7 Ethical Dilemmas**

Situations that require ethical judgment calls. Regularly, there is more than one right answer and no win-win solution in which we get everything we want.

## **1.9 EXPECTED RESULT**

The expected result should be moral values and awareness towards people in construction industry about the importance of ethics practices. Therefore, good ethics practices are very crucial to succeed in construction industry as to ensure that projects are always success and clean from any corruptions, bribes, frauds, deceptions etc. Thus, individuals who involve in the industry should practice ethics in the field, to be mentioned those individuals are project managers, engineers, architects, site-workers etc.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

Construction industry has been one of Malaysia's economy source. It helps in enhancing Malaysia financial stability and very important to Malaysians to keep in a good state of economy. Thus, construction industry plays a role which contribute by implementation and delivery of public projects for cultivating Malaysians quality of life. In this research work, it covers all aspects related to the concept of ethics, the causes of ethical issues, methods to eradicate ethical issues, the impact of ethical issues and ethical issues.

In Malaysia, ethical issues in construction industry are very common because it give effects on the reputation of the industry. Ethical issues that might damage image of the construction industry are tendering practice, substandard quality of construction work, safety culture, payment woes, corruption and most importantly, public accountability for money spent on public buildings and infrastructure. From the ethical issues, the types of ethical issues have been identified such as unfair conduct, conflict of interest, collusion, fraud and bribery. These types of ethical issues are very well-known in construction industry among contractors. Thus, an immediate approaches should be taken to encounter these issues as we can spare the reputation of construction industry.

However, the government is not remain silent when the issues have become worse. They have taking the audacious steps to encounter ethical issues. As the first



step, government discourse these ethical issues from a number in liberating measures. They have firstly established the Anti-Corruption Agency which by then tailed by Anti-Corruption Commission Act in 2009. In 2004, CIDB has hurled the Construction Industry Master Plan (CIMP) and tailed by formation of Code of Ethics for contractors in 2007. In this codes, it emphasized on honesty and integrity when accomplish tasks, obedience the regulations and laws, respect in the society and the importance of all qualities and requirements in construction.

## **2.2 CONCEPT OF ETHICS**

### **2.2.1 Definition of Ethics**

Ethics is identical with morality. Ethics always play with feelings because whenever someone is implementing ethics in their life, they will follow their feelings instead of their brain and thoughts. Sometimes, ethics can also influenced by one's lifestyle in terms of desperation. For instance, because insistence hardship in life they do something without thinking the bad or good effects in future that may change their life. Likewise, ethics is applied by all religions in this world. Most of the religions are implementing ethics in their daily life which stimulus their behaviours and lifestyle indeed. Ethics also determine the good deeds and bad deeds of someone. Ethics give inspiration in studying one's behaviour and attitude, as this can help to learn more about one's life.

Ethics is totally different from laws. Laws is refer to the ethical standards in which most of the people pledge. Ethics also differ in the statement, "whatever society accepts". In the statement, it explains that whatever we are doing must be accepted by the society. Moreover, they have set their own ethical standards to be applied into the people in the society so they can be acceptance in the society. According to William (1978), the suitable example to show the ethical standards set by the society is Nazi Germany which is a corrupt society back to those days. Still, to be accepted by the society one should identify what are the ethical standards that may help to be accepted. It is not possible to link ethics with the theory of acceptance by society when there is

lack of consent. Recent issue about transgender that has been approved by the Appeal Court in Negeri Sembilan, some may accept the approval but we totally understand that transgender is opposed to some religions and society cannot accept the approval.

### **2.2.2 Concept of ethics**

Concept of ethics should be extremely understand by people because ethics gives effect in one's life. Ethics can be defined by many ways and one of them is ethics based on standards of right or wrong on one's behaviour (William & Elder, 2006). Ethics includes rights, obligations, benefits to society, fairness, or specific virtue. In Malaysia, ethics is needed to reduce crimes as it has become worse day-by-day. Newspapers, electronic news and many sources have been showing the incremental percentage of crimes in Malaysia such as rape, fraud, assault, slander etc. Regardless, Malaysians is still not realize of applying ethics in their life because of their desperation, egoism and selfishness. Ethics may also refer to the study of improvement of an individual ethical standards. It means that ethics is on one's principles that have been set up himself/herself to rule the life and decide the right or wrong decisions. For instance, in construction field when a contractor is striving to get tender and he face some difficulties, he is the one who should decide whether to implement ethics in this matter. He may bribes or follow the right way to get the tender. These days, people often ignores the meaning of ethics because they do not want their life get restricted. People only think the easy ways to rule the life without principles in life and become greed.

According to Mohamad & Aziz (2009), ethics is the fundamental factor to generate the economic lasting return in the construction industry. Ethics is like a base or foundation in construction industry which we need to reinforce to maintain construction industry. This industry is important to Malaysia as it is one of the major contributors to the economy. If the foundation is not strong enough, the industry cannot be spared. Analogy on this matter, when we do not have the strong foundation in construction of houses, the houses might collapse if the foundation is weak.

There are three concepts of ethics in ethical theory that should be understood such as principles, inner states and right and good. These concepts were bringing up

from a number of different ethical theories that have recommended from the philosophers of history. There are many ways to compare those concepts. The first concept is right to principles which refer to the “*right*” term in ethics. The “*right*” term is actually refer to the action. Analogy that has been provided as to enhance the understanding about “*right*” term, when a man was saved from hitting by a car, the person that saved the man will be called as “*good*”. However, it is in point of fact was the “*right*” one to save the man. When someone does the right thing, he/she will be considered as ethical person. There may be some to understand term “*right*” in various ways and voice out different opinions. They might have point of views that “*right*” refer to actions followed by pleasure or helping each other. Regardless, “*right*” is the suitable term to explain about someone perform the appropriate actions to help others. There two techniques to relate right and principle such as maximization and exemplification. Better understanding about the relationship between right and principle, a principle will be the right one to follow if it maximizes the good. For instance, one’s principle “to be honest” that would be explained someone is ethical. Therefore, in exemplification a principle is exemplifying the good, in which acting in such a good manner. Right to states is the action that flows from the good characters and inner states. It explains in “doing right actions, the person is courage” the explanation of rightness in action is inner states influence the actions. Right to good is directly relates “right” and “good”. Right action made from the actions that maximize good.

## 2.3 CAUSES OF ETHICAL ISSUES

### 2.3.1 Economic downturn

Economic is defined as a system that consists of the production, distribution or trade, and consumption of limited goods and services by different agents. Referring to former Works Ministry of Malaysia, Y.B. Dato' Shaziman bin Abu Mansor (2009) as cited from Hassim, Kajewski & Trigunarsyah (2010), ethics issues are brought up when economic downturn. Economic downturn is the slow-down of economic activity where certain activities such Gross Domestic Product (GDP), investment, household income, capacity utilization, profit of business and inflation fall but unemployment and bankruptcies rate rise. This will bring up an issue when contractors and clients in the construction industry will use any possible methods that may profit them by ignoring ethics practices which emphasize on morality and integrity.

As the construction field is one of the financials' catalyst in economic growth of Malaysia, it will face great impact from the economy recession compare with other industries. People involved in construction industry will do anything to survive during economic downturn and never think of possible outcomes that might give effect to them. Most of them will never practice ethics as they are in desperation to survive in the field, they use the wrong ways to get tenders or projects from the public sectors (Works of Ministry, 2009) as cited from (Hassim *et al.* 2010). According to Ray *et al.* (1999), economic downturn that rise competitiveness between contractors potentially lead to corruption and collusion between tenderers as the value for cover price can only be obtained by the cover prices. This exposes the construction industry into corruption, bribe, fraud, deception etc. According to Rahman *et al.* (2007), the main reasons of these happen because of the needs in personal financial. A scenario once happen when a male lecturer in Giat Mara centre, Kuala Lumpur, Malaysia was detained by Anti-Corruption Agency (ACA) because he was suspected to have given his wife's company a quotation. In this case, the man was indicted of misuse his position as a quotation analysis officer by involving in a contractor/supplier/wholesaler central committee

meeting for giving of the tender (New Straits Times, 2008). This scenario shows desperation in life may lead to a wrong way of life.

### **2.3.2 National Objectives**

Towards in achieving *Wawasan 2020*, Malaysia has set up many national policies and objectives in order to be one of the development countries. Construction industry has been the major contributor to the Malaysia economy. Thus, there are many mega projects have been deliberated to make sure the stability of Malaysian economy. In 10<sup>th</sup> Malaysia Plan, our Prime Minister has established within 2011 to 2015 the development of facilities. A fund was established in facilitation to the private sector investment in projects with high strategic values to the nation and multiplier effects. Private investment received RM20billion as a fund to plan in bridging the viability gap in priority areas such as infrastructure, education, tourism and health projects. In this 10<sup>th</sup> Malaysia Plan, it prioritizes the new investment especially in construction of developing Malaysia. There are several projects under consideration include Senai Hi-tech Park in Iskandar Malaysia, Johor and the Raw Water Supply for Industrial Complex in Tanjong Langsat, Johor.

Private sector has been assigned to finance and cover all risk with government funding which only can be used in improving viability of the project. A large amount of RM100billion will be allocated for assistance with a minimum capital cost or investment. The applicants (contractors/developers) must be cleared from any financial problems before they can disburse the fund. The fund provided is mainly to finance land cost and infrastructures such as construction of access roads, bridges, and provision of water supply which required to make a viable project (Tenth Malaysia Plan, 2010). Hence, this will increase competition between private sectors to bid tender with government and cause incremental number of corruption cases in the industry. Corruption can increase up to 25% to the cost of public contracting, generating waste of public resources, missed development opportunities, an unstable environment for businesses (Transparency International, 2005) as cited from (Hassim et al. 2010).

### 2.3.3 Leadership

According to the Oxford Dictionary, leadership is defined as the action of leading a group of people or an organization, or the ability to do this. Leadership is the main cause of ethical issues brought up. According to Bayles (1989), professional ethics can be defined as a system of norms so that both morality and behaviour of professionals could be dealt with their day-by-day practice to this system. Previous research from Rahman *et al.* (2007), leadership as a role model of professionalism in construction industry. In terms of ethics practices, a leader as an example to the employees because employees will follow the lead from the leader. Leader's behaviour and attitude will affect the organization's norms and values especially in construction industry. Scenario can be clearly seen when a project manager shows an ethics behaviour by not practicing bribe or fraud during tendering, automatically all the workers will do the same as leader. This will give a good image of the organization and reputation of construction industry itself. Individuals within the organization will normally follow the norms that are practice within that organization (Gupta & Sulaiman, 1999; Zabid & Alsagof, 1993). Thus, in 2004, Integrity Institute of Malaysia (IIM) was established as to train ethical values and behaviour among the public and private sectors by which they also structured campaigns and conferences in order to raise awareness of public on unethical behaviour specializing the top management in an organization.

### 2.3.4 Non transparent selection process

Ethical issues may happen when non transparent selection process during procurement in construction field. According to Beh (2007) as cited from Hassim *et al.* (2010), concession agreements and government procurement lead to sub-optimal outcomes may be as example. According to Hassim *et al.* (2010), it is crucial that the issue of transparency and accountability are focused when it involves public expenditure. Problems arise from both transparency and accountability when the governments have overlooked about ethics and no enforcement of legal in construction industry in steering public money and affairs.

In this issue, it includes administration systems, tasks that are difficult with vague objectives and activities underfunded. When there is no accountability value, there may raise unethical issues in construction industry. Example, the procurement agents are not accountable as he/she is not practices ethics when selecting contractors for projects. The make decision based on feelings, bias, and whatever leads to unethical behaviours. On the other hands, transparency in selection process can happen in bidding tenders. Currently, governments only select bigger companies of contractors in public projects as they have handled many projects before and have much of experiences. Contractors that usually get selected by governments are Sime Darby, Gamuda, Ahmad Zaki Resources Berhad and Bina Puri.

It is important to be transparent in selection process in order to select the best contractors which is qualified based on specific requirements. It also involves the quality of projects and the projects can be completed within the period of time that has been appointed. Thus, governments should be transparent in selection process of contractors in construction projects.

### **2.3.5 Ineffective evaluation of the process**

Ineffective evaluation of process is one of the causes that leads to ethical issues. Not same to the transparency in evaluation process, it focused on the importance of accountability which has become crucial agenda to the public sectors. This element of accountability is a mechanism on endorsing a high standard of ethical conduct in order to move towards a developed nation (Beh, 2007). Accountability is the main thing should be focused to have effective evaluation process. In Malaysia, public projects should be more precisely evaluated to make sure that public disbursement is used prudently. Penang Second Bridge may be the example of accountable in selection process of contractors. As the last stage of Penang Second Bridge, they identified problems of the bridge. However, the contractor has been responsible to encounter the problems so that the project can completed within the time has been appointed despite it delayed the opening of the bridge to the Malaysians to ensure the safety of using the bridge.

## 2.4 IMPACTS OF ETHICAL ISSUES

Construction industry has been classified as the most fraudulent industry worldwide (Transparency International, 2005) as cited from (Adnan *et al.*, 2012) which provides the impeccable environment for ethical dilemmas, with low-mentality, fierce competition and paper-thin margins (FIM, 2004). This explains that construction industry has become worst in terms of ethics and ethical standards have not been implemented in this industry. Currently, Malaysians has become narrow-minded and low mentality because they only take the short way to survive and succeed. We know that this thing should not happen in our country and we will damage our record on free from unethical behaviours especially in construction industry. Ethical issues may be take place in every phase in construction project such as planning and design, pre-qualification and tender, project execution and operation and maintenance. These practices may result when projects are completed and will be considered unnecessary, unsuitable, overlay, complex components, overpriced or delayed (Rahman, Yahya, Berawi & Wah, 2008). Throughout the construction projects, ethical issues may brought up because of the irresponsible people involve in the projects. For example, during pre-qualification and tender phase, contractors may be bribed people from the public sectors in order to ensure that they get the pre-qualification and tender.

### 2.4.1 Quality of Project Management

Quality of project management is depends on the time, cost and scope of the projects. It can be defined in the acceptable level of quality, which clients satisfied with the quality of projects that have been managed. Quality of project management also describes the deliverables and work processes of the projects. In this matter, project managers are facing the impacts as they are the leader in the projects. They would be blamed on anything problems arise from the projects. Therefore, a project manager should practices ethical behaviours in order to ensure project success.



Quality of project management is something that a project manager should not perfunctory because projects that are constructed should meet upon the standards and requirements to satisfaction of customer. The work processes should be documented, and performed effectively and efficiently. Appropriate corrective action should be taken immediately after problems are founded. These shows an ethical project managers.

#### **2.4.2 Trustworthiness**

Ethics is often related to the trustworthy in people involves in construction projects. Trustworthy is one of the virtues that should be implemented in construction industry because contractors must be needed client's trust. Then, contractors should be ethical in order to maintain trust of clients because once they have been not trust the contractors, the contractors will loss. As analogy, a contractor is selected as he/she fulfil the requirements for constructing a mosque. However, he/she has used the low-quality materials to save the cost which founded by the clients. Clients gets angry and lost trust on the contractor and he/she lost the tender. For better understanding, it explains that contractor who applies ethical behaviour will gain trust from the clients.

Trustworthy also related to fraud, as contractor may be fraud in 'selling' himself as a successful contractor in order to get tenders. Hence, he might use fake qualifications to attract clients in tendering. Obviously, it can be seen that how important to apply ethical practices in construction industry.

#### **2.4.3 Damage of reputation**

Reputation of construction industry is very important to be spared because it will show how good the industry. It is precisely related to ethics as ethics can maintain the reputation of the industry. There are many cases in construction industry that have been damaged the reputation of the industry specifically the construction companies. A construction company was founded taking illegal immigrants and have a fake permit. The illegal immigrants have been used fake permits to enter Malaysia and get a job in construction site. It seems ethical but illegal. We really understand that faking a permits and travel to other country without a valid document is a wrong action. It is totally

wrong to hire illegal immigrants and have fake permits because it is considered accomplices and will be arrested on the faults (The Star Newspaper, 2014).

## **2.5 METHODS TO ENCOUNTER ETHICAL ISSUES**

Construction industry has been the most corrupt sector in most economies (Transparency International, 2002). This shows that construction industry becomes an industry with highest ethical issues in all countries included Malaysia. Mostly, these ethical issues happen among high level of the involvement in projects especially contractors.

### **2.5.1 Code of Conduct**

Code of conduct is a central guide and orientation to support people in decision making. Code of conduct also involve in clarification of an organization's mission, ethics and principles which related to the standards of professional conduct. The purposes of developing code of conduct is to raise ethical expectations, ethical issues are legitimized, ethical decision making encouragement and provide a basis in enforcement to avoid misconduct. These reasons proved that code of conduct should be implemented to encounter ethical issues in construction industry in Malaysia. This is because awareness of the importance in practising ethics among contractors is at the lowest level (West, Tan & Habermann , 2009). According to Ssegawa (2005), conflict of the code or malpractice that is illegal by law constitutes includes action or inaction is not tolerable in environment of business. Hence, any actions that are illegal cannot be tolerated not only in business but in any fields. Enactment of code of conduct is necessary as ethical issues getting worse.

There are a few countries that have been implemented code of conduct such as Australia and South Africa. These countries succeed to prove that implementation of code of conduct can increase ethics among contractors such as discipline, accountability, transparency, responsibility and fairness. Therefore, Construction

Industry Development Board (CIDB) should enacts code of conduct to increase awareness of ethics practices and apply it in construction field in Malaysia.

### **2.5.2 Early education**

Construction industry should build a strong and good environment as to succeed. There is no hesitation that knowledge in a field is important but personal trait also should not be perfunctory as it will effects on success of performance in the industry (Turner & Crawford, 2006). Ethics is necessary to success in career. Therefore, an individual should show good personality as to survive in the industry and make people comfortable to work with. The quality of ethics will create a strong structure for building personal and a success individual (Mohamad *et al.* 2015). Hence, early education is crucial to determine a person to have bad or good behaviour. Develop good personality in an individual, it should starts at early age or to be specific is from a child (Abuznaid, 2009). In raising a child, should start from a small kid as he/she will easily absorb things that he/she has learnt. Furthermore, parents play a role to their child as a child will learn good and bad things from them. Early education and family effects an individual to be leaders in future (Bishop, 1992). Family and early education determine whether a child can be a good leader or not in future.

*“The things that Lord hath indeed forbidden are; shameful deeds, whether open or secret; sins and trespasses against truth or reason; assigning of partners to Allah, for which He hath given no authority; and saying things about Allah of which he have no knowledge. [Al-Quran, 7:33]”*

In Qur'an, there is saying that we should not do bad deeds as He will wrath on His servants who are disobeying His orders. However, not only in Islam but in all religions, bad deeds are strictly forbidden because it will harm others. Thus, one should practices good deeds to give benefit to others. Ethics practices are strongly agreed to be implemented as Malaysia is a harmonious country and we should maintain the harmony environment.

Ethics education should also apply for undergraduate students because they should easily understand about benefit from ethics practices. As undergraduate students are future leaders in a very few years, they should start to expose the students about ethics practices and increase the level of awareness on ethics practices among students. This method is urged to all universities as their role is a key to ethical development of future professionals and good leaders in a society meticulous professional decision making and actions (Bishop, 1992).

### **2.5.3 Ethics Training**

Ethics education is not stop at college/university level but it will continue when an individual enter work's life. In construction industry, they should hire contractors, project managers, engineers, architects and site workers with a good attitude. Thus, they will not have any problems in future related to attitudes. Construction industry in Malaysia as an example to other industries with good reputation relatable to ethics practices. According to Lurie & Burkill (2013) who thought that ethics training may need to be conducted internally and externally by contractors and suppliers. Referring to Vee & Skitmore (2003), they have proposed that professional institutions in the construction industry should demeanour Continuing Professional Development (CPD) courses in working forums, discussion, talks and seminars which endorse professional ethics substance. CPD should be compulsory to all people involve in construction industry to encounter ethical issues. Thus, ethics training seems as an important platform to shape professionals with ethical behaviours

## **2.6 APPROACHES TO COMBAT ETHICAL ISSUES**

The construction industry is very famous for its success in introducing Malaysia on the world stage. There is some constructions that have become the pride of the people of Malaysia like Kuala Lumpur Tower, Kuala Lumpur Convention Centre, Kuala Lumpur International Airport, Penang Bridge, *Bangunan Sultan Abdul Samad* and leaning Tower of Teluk Intan. The construction industry is very active in conducting development under construction that can transform Malaysia into a

developed country. Therefore, appropriate actions should be taken to combat the unethical action.

### 2.6.1 Utilitarian Approach

On 19<sup>th</sup> century, utilitarian was regarded by Jeremy Bentham and John Stuart Mill in order to help policymakers regulate the morally best of laws. Both Jeremy Bentham and John Stuart Mill recommended that ethical actions offer the utmost balancing of good or bad. Both of these men have proposed with a theory, *“actions are right to the degree that they tend to promote the greatest good for the greatest number”*. They have defined the theory in which *“...the greatest good...”* as something that boost or reduce contentment or desire (Bentham, 2001). However, quoted words *“...the greatest good...”* is refer to the well-being in which needs to explain through qualitative and quantitative about desire (Mill, 1998). These meanings from the understanding of both men they specifically narrow the meaning about happiness in life and contentment of desire in life.

Regardless, both men shared the same thinking that quoted words *“...the greatest number...”* is about benefits that given not only to one person, but benefits to the persons involve in an agreement and not influence by egoism.

In this approach, there are few steps that should be done following the procedures:

1. Identify various courses of action that are available.
2. Identify people who will get affected from each action and benefits of harms from each action as well.
3. Choose the suitable action which result the utmost benefits and the least harms.

After the steps taken have been completed, it will provide with the result on the ethical action that is the best. Hence, this approach is emphasizes on the benefits that gain by all the parties (stakeholders) involve in the projects according to ethics ways. Possible outcomes should be the balance of satisfaction and dissatisfaction among all

parties. It includes personal preferences, economic gain or loss, or the impacts from an action whether in short-term or long-term. In construction field, this approach probably should be done in terms of benefits assessment or consideration assessment.

### **2.6.2 Rights Approach**

Other method to encounter ethical issues in construction industry by using rights approach. This approach is the concept of ethics that all actions that do not interfere with others' rights and do not coerce, are moral and ethical (Business Dictionary, 2015). Hence, it is relatable with the construction industry by which this approach apply concept of ethics by not intrusive others' rights and no duress happen. Rights approach explains in consideration of taking rights of persons who get influenced by our actions. For example of rights approach, we accentuate others' rights and we choose not to intrude others' rights. Basically, this approach emphasized person's rights in the context of that person's itself. In America, there is an article that incarnates the types of rights that encirclement by Rights Based Ethical Systems.

In enhancing understanding of rights, we can refer to the articles from United Nations Universal Declaration of Human Rights which was classified as Moral and Human Rights. Therefore, rights is important especially related to human that should be understood by people especially Malaysian. Rights approach is all about the development of person, understanding in goals by parties involved etc. in construction industry, this approach should be applied in order to encounter ethical issues. People involves which refer to the contractors and clients in projects should understand their own rights in the field.

There are different aspects that have been in thoughts which are the right to the truth, the right of privacy, the right not to be injured and the right to what is agreed. Ultimately, the right to the truth is about telling the truth and should be knowledgeable the details which will distress options. The right of privacy is focusing on what we are going to believe, to do and say in life but not affect others' rights. The right not to be injured refer to the right not to be hurt or injured except we discern of deserving

punishment, or indicate to risk. The right to what is agreed is the right that involves contract or agreement.

There are benefits in this approach if implemented in construction industry. This will increase the awareness of ethics practices among contractors, project managers, and all people involve in the industry. Firstly, this approach protects human rights in which it reduce the percentage of corruption, bribery, deception, fraud etc. This is because when they implement this approach they will accentuate others' rights and have clean competition. For example, contractors will use the right way to get tender and avoid bribes.

They should not be egocentric by thinking their own profit and ignore others' rights. This approach will help contractors to aware the importance of ethics practices in construction and reduce ethical issues in construction industry. Today, contractors in construction should understand that ethics practices cannot be overlooked today because it has advantages for future and as to be a civilised human.

### **2.6.3 Fairness or Justice Approach**

According to a philosopher, Aristotle, fairness or justice is about "equals should be treated equally and un equals unequally". In context of ethics, fairness or justice is we should preserve others' rendering to the how they should be preserved. There should not be discrimination in the preserving people especially in construction industry. People deserve to be treated on the way they treated us. If they have done good deeds to us, then they should be getting the benefits. However, if it happens vice versa then they should be getting the loss. Same goes in the industry, if there are two suppliers that needed to be chose by the contractor to supply materials, plant and equipment in the project he/she should be fair and justice in choosing the suppliers. They should acknowledge the quality of materials or equipment that supply by the suppliers and think wisely to choose the best one. A good contractor will ignore bribes during making decision to choose the best supplier.

Conferring to the Aristotle, in ethics is not the same as we understand hard skills such as learn mathematics or science but we need to understand the ethics as we need to apply in life. He explained that ethics is something that we should decide by using heart and then brain, and not the vice versa. Thus, if we have a clean soul we will act ethically instead of thinking the profit from a way that is not good. This approach clarifies that it covers all aspects in construction industry which should be ethics practices. For example, a contractor gain large of profit in construction of office building but he use low-quality of materials as the prices are cheap. This shows the unjustified contractor for being unethical. He gain benefit but not the client. The fairness is not distinguishable in this matter.

Specifically, justice is fairness. Justice and fairness should be in line in implementing to the industry because both justice and fairness have the values that might give harmonious of life. So, this approach illuminates that justice and fairness are crucial for the people involves in construction industry especially contractors to be just and fair. This approach also clarifies on the fairness of one's actions in contributing advantages and disadvantages to the people involves in the projects (stakeholders). There is also a principle of fairness, *"treat people the same unless there are morally relevant differences between the"* by means about we should treat people the way they treat us. Yet, it is not about that but we should be just and fair towards all people.

#### **2.6.4 Common-Good Approach**

Common-good is refer to the persons own good which corresponding with good of community, members are bound by the pursuit of common values (West, Tan & Habermann (2009). Common-good by means about oneself benefits equivalent with everyone's benefits. The meaning of common-good also concomitant with the John Rawls definition of common-good. Typically, common-good approach in ethical behaviour is something that important in construction industry by which it focus on all people in the industry get the benefit.



In this approach, it covers all the social policies, social customs, institutions, and environments by which hinge on the benefits to all. For instance, common-good shared in the construction industry includes just in making decision on projects, concern of worker's safety in site, competition in getting tender and persuading contract administrators in construction field. These common-good shares automatically let the people in the industry practices ethics. Common-good approach which implemented in the construction industry also emphasizes respect and value one's to continue with he/she own goals and identify the goals that are shared in common.

There is a principle states, "*What is ethical is what advances the common good.*" which gives meaning that ethics is something that gives benefit to all people who shares the same goals. On the other hands, common-good approach to ethics is about people bounces advantages to others as well. The scenario can be seen when a choose the best supplier to materials, equipment and plant in a project though the it is costly, but the clients and contractor share the benefit from there. Whereby, clients will satisfied and contractor will attain good reputation as more profits are coming.

### **2.6.5 Virtue Approach**

This approach to ethics undertakes things that we should strive, in providing towards development of humanity. These ideas are revealed from the reflection of thoughts on what we are going to be. Mainly, virtues are behaviour traits that permit individuals to be and to act the way that individuals want to in the greatest potentials. There are some examples of virtues such as prudence, fairness, justice, generosity, courage, honesty, compassion and integrity. Virtues are like principles that apply in life by which become the characteristic of a person. People who normally apply the principles in life will be naturally act like the ways that have been principled. A virtue person is an ethical person.

Developmental study of virtue and moral character in early childhood can inform virtue ethics (Thompson, 2014). Moral virtues should be started at early age so the understanding on morality and ethics are not a problem when a child is grow up. It is crucial to apply virtues in oneself as it help a lot in developing ethical person in

future. Example, when a contractor that has a background family who implementing virtues since childhood he will understand how virtues help to develop an ethical character inside himself/herself.

Virtue approach focuses on attitudes, behaviours, characters that make a person to be the way he/she is and develop potential of human. Principle stated, *“What is ethical is what develops moral virtues in us and our communities.”* It means that an ethical behaviour is develop from the moral virtues in oneself and communities. This approach suitable to be implemented in construction industry in order to produce an ethical contractor as well as all the people who involve in the industry. For example, contractor who has those moral virtues may be considered as ethical contractor. He is honest when getting tendering or suppliers of those things needed in a project.

As the world is getting more sophisticated with technology, human should have put on moral virtues as we do not want the world become cruel. Live in cruelty and darkness. Yes, the world might become worst as many people may not apply moral virtues in life and practice unethical behaviours. Let us think, what will happen in construction industry in Malaysia by the time to achieve *Wawasan 2020* when the contractors or people in the industry are unethical? Therefore, why do not start it early and from now set in mind to have a good lifestyle.

## **2.7 ETHICAL ISSUES**

Ethics has been an interest in the construction industry. Due to the construction industry is one of the major sources that contribute to the Malaysian economy, the industry should be maintained the reputation in order not to continue drifting with unethical behaviour. Ethics play a role in the construction industry because ethics free the industry from any behaviours or things that not good. There are several issues on ethics practices in Malaysia that should be focused on:

- a) Tendering practice
- b) Substandard quality of construction work
- c) Safety culture
- d) Payment woes
- e) Corruption
- f) Public accountability for money spent on public buildings and infrastructure

These issues have been highlighted in Malaysia's construction industry because these issues are directly involved in construction industry.

#### **a) Tendering practice**

Tender is refer to the invitation bids for a project, or acceptance a formal offer like a takeover bid. Basically, tender is a process whereby governments and financial institutions are inviting bids for large projects that must be surrender to within a fixed deadline. Tender also include process of stakeholders surrender their shares or securities to a coup offer.

Mostly, tendering practice in construction industry is in projects or procurement whereby most of the institutions have a definite tender as well as to the opening of govern, assessment and final selection of retailers. This is to make sure that the selection process is just and translucent.

In coup offer, most bids specify that an assured percentage of shares must be tendered by the deadline due to the deal to proceed. Rottenly, stakeholders are declined to bid their shares as the offer is too low. They may try to arrange support from other stakeholders against the bid, in order to block the deal. In Malaysia, in tendering practice they preferred in direct negotiations in awarding "public works and the construction of infrastructure projects over public tender because the government was keen to speed up the development of the country's infrastructure" in which government

does not want a delay in getting tender and they can proceed in construction projects as soon as possible (The Malaysian Insider, 2012). Direct negotiations will save time as we bid for tenders at that time, and we get the result at that time. This will avoid in wasting time and increase the productivity of project management in construction industry. There is more than RM70billion worth of rail projects have been slated for the next decade, including the prized RM50billion Klang Valley MRT project (The Malaysian Insider, 2012). Those days, Malaysia has been proposed on rail projects in ten years time which worth of RM70billion and included RM50billion of MRT project in Klang Valley. Thus, the construction has begun as the direct negotiations in tenders practice has been applied and immediate actions can be taken. Within ten years, the construction will be completed or less than ten years we can have the completed infrastructure.

#### **b) Substandard quality of construction work**

Construction is often issue on the quality of the construction work. As construction industry plays a substantial role in a country's national economy, irrespective country's levels of economic development (Zantanidis & Tsiotras, 1998). This means that in order to have a stable growth of economy, construction industry should remained its quality as to maintain the growth of economy. The industry has contribute a lot in the growth of economy, we do not want recession in economy as construction has been major contributor. Hence, issue of substandard quality in construction work has been notorious as major concern nowadays. In constructing projects, clients will look on the quality instead of the price because they want something that will long-lasting and can be used for a longer time as well as the maintenance of the projects.

Quality may be ignored sometimes in construction industry as to cut cost or to shorten the project time (Turk, 2006) as cited from (Rahman, Karim, Danuri, Berawi & Yap, 2007). Currently, Malaysian has live in depression as the economy growth become slow-down. They are in desperation to gain money in a short time so they want to complete projects in a short time and use low-quality material as to save the cost. It is not happen only back days, but in 2015 the issue still widespread as this relatable with ethics practices in construction industry. Quality is one of the elements in the

management of projects which is implemented in construction industry. For instance, a contractor uses high-quality of paint in order to ensure that the paint will not fade off in short time of school construction projects and he always get many tenders to construct school and office buildings. This shows that a quality of projects will ensure satisfaction of clients because he will not face any problem in future by receiving complaints from clients.

### **c) Safety culture**

Safety culture refers to the group's initiatives, actions, exercises, process, habits, training and education, and relationships, etc., that pool to establish the core principles and values of the group. Safety culture is usually the main thing which is focus on the safety of the workers in construction industry. Malaysian government has established Construction Industry Development Board (CIDB) to make sure the safety of workers in construction industry. Typically, CIDB functioning in promoting further development of construction industry, and accreditation and registration of contractors and construction personnel. CIDB has covered all the activities in the industry such as building work, infrastructure, mechanical and electrical, and petro chemical. Under CIDB, there is a Green Card where it is to permit people involves in the construction to enter site. Green card can be obtained by attending course that has been arranged for those who wants to be allowed in entering construction site. In the course, people will be exposed to safety of construction work, insurance coverage (personal accident), duties of employers and employees and safety policies.

The main concept of safety culture is distinguishing the ways of evaluate and measured safety in construction site. Individuals can acquire a shallow understanding in safety culture at construction site by doing appraisals or auditing the safety in site which relatable with programs and policies that have been implemented in industry. Safety culture is following the arrangement that has been set up such as risk management, Personal Protection Equipment (PPE) management, accident notification, safety signage, emergency preparation and training. For example, contractor is the top management which should concern workers' safety in construction site. Hence, he should follow all the policies and programs that have been enforced in construction laws

to ensure the safety of workers such as enforcement of PPE while in construction site, safety measures, etc.

#### **d) Payment woes**

Payment woes is refer to the payment problems that often be an issue in construction industry which mainly involves contractors. Frequently, payment woes is a common cause of arguments in the construction industry all over the world. This issue on payment woes is raising problems in construction industry and getting worst. It has reached to the point where may affect construction industry's reputation. This payment woes issue is related with ethics practices as whether the contractors problem in paying to the suppliers or commonly clients fail to pay contractors due to financial problem. Malaysian contractors have to face this problem as it involves money and gives effect to the image of construction industry. Previous research from Che Munaaim (2006), they proposed to introduce statute on the Payment and Adjudication Act in Malaysia. In 2003, CIDB collaboration with construction industry has develop the proposed Construction Industry Payment and Adjudication Act (CIPAA).

The act has come out with WG10, construction industry working group on payment and related matters. This act may reduce the payment woes issue among contractors. In spite, Malaysia a bit left on develop this act as other countries have taken the initiatives earlier to encounter payment woes issue in construction. Additionally, provision of the nation's infrastructure and built environment and instrument of construction projects have been affected by the problems raise by this issue on late, under and non-payment. Thus, this issue must be encountered immediately as the industry need to survive as in 2015 and continuous years we do not know what possibility will be faced on economy growth.

#### **e) Corruption**

Corruption is common issue related to the construction industry. Malaysia is not exceptional in this issue due to the slow-down of economy growth. Contractors in the industry live in desperation to survive thus they do not think much to do corruption in

the industry. Works Minister Datuk Seri Fadillah Yusof said that, the construction industry grew at the rate of 14.3 per cent until the middle of this year with projects worth RM69 billion carried out until September (The Borneo Post, 2014). Construction industry's rate has increased rapidly each year and this shows the statistics on economy growth in Malaysia. He said, they have signed a memorandum of cooperation (MoC) on governance, integrity and prevention of corruption with construction industry players. Primarily, the memorandum is due to encounter corruption issue in the industry. The memorandum associated with Master Builders Association Malaysia, Real Estate and Housing Developers' Association Malaysia, the Association of Consulting Engineers Malaysia, the Malaysian Institute of Architects, the Institution of Engineers Malaysia, the Royal Institution of Surveyors Malaysia, the Malay Contractors Association of Malaysia, and the Malaysian Indian Contractors Association.

Moreover, this issue has given big impacts towards construction industry when it is widespread. Corruption is included under ethical issues because it gives negative effects in construction industry and needs major concern about this issue. Thus, approaches should be enforced in implementation to combat this issue especially among contractors that deal with clients. According to Malaysia Anti-Corruption Commission (MACC) statistics in year 2008 to 2011, there are 1793 numbers of complaints on receiving fraud and corruption in construction (Nordin, Takim & Nawawi, 2013). A large number of complaints have been received between 2008 to 2011, how about on this year? What will happen if there is no actions taken by the government? Hence, Malaysian government should enact act on corruption not only in construction industry but in all industries.

#### **f) Public accountability for money spent on public buildings and infrastructure**

Problems arise from public accountability for money spent on public buildings and infrastructure because public has expensed with multiple objectives and public sector outputs often not to sold in the market which infers the price data by which unavailable and the output is unquantifiable. A number of high-profile public sector projects are grimed by problems; delay completion of school buildings; school computer labs; cracks in 31 pillars of the Middle Road Ring Two (MRR2) projects; and

the collapsed roof of the Sultan Mizan Zainal Abidin Stadium in Terengganu (Board of Architects Malaysia, 2008). These problems have raised from the issue whereby public accounts on government to provide impeccable buildings and infrastructure for them. When the problems remain unsolved, public will have perception that public sector cannot be accountable.

Therefore, government should not overlook this issue because the source of their money is from the public itself. Government should ensure contractors do their job correctly to avoid any complications in future.

## **2.8 CONCLUSION**

We acknowledged that construction industry is the major contributor to not only Malaysia but to any country in economy prospect. Construction industry plays the important role to develop a country for the next generation of us. Hence, we should retain the industry with good ethics practices as we do not want to face any circumstances in coming years. Despite, our country will be faced slow-down of economy growth which we do not know when time is coming we should not live in desperation or greed to gain profit or benefit. On April 2015, Malaysia's Prime Minister has announced the implementation of Goods and Services Tax (GST) a consumption tax which charged on goods and services in businesses. First two years may be difficult for Malaysians to survive in terms of financial stability, and there is a prediction of increasing in ethical issues in future. We should avoid all those problems as we want to survive till the end.

It is crucial for all contractors, project managers and stakeholders involve in the industry to apply ethics practices and be professional in doing business. According to Vee & Skitmore (2003), as long as the lack of professionalism and ethics exist, the ethically good will have difficulty sustaining professional ethical standards. Contractors, project managers and stakeholders in construction industry have to aware that ethics and professionalism are very important not only to remain in the industry but to gain trustworthy from clients.

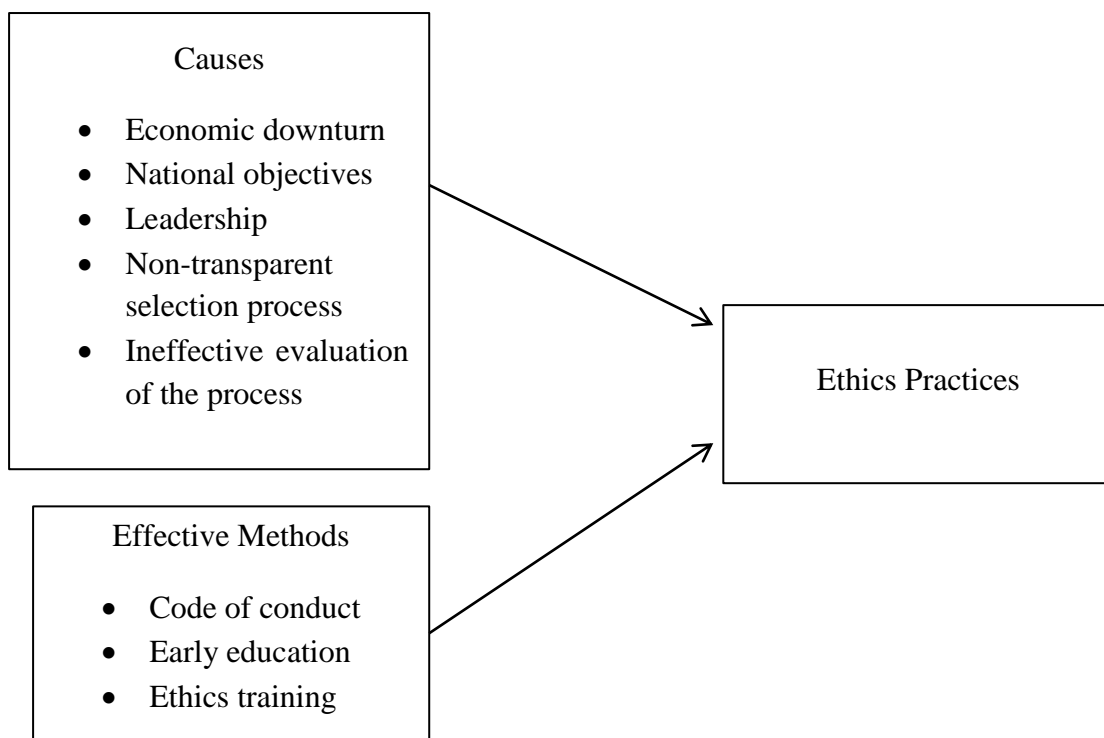


## CHAPTER 3

### RESEARCH METHODOLOGY

#### Conceptual Framework

Conceptual framework shows the dependent variable and independent variables that are related to each other in the research. The dependent variable is the ethics practices in construction industry and the independent variables are causes of ethical issues and effective methods to encounter the ethical issues.



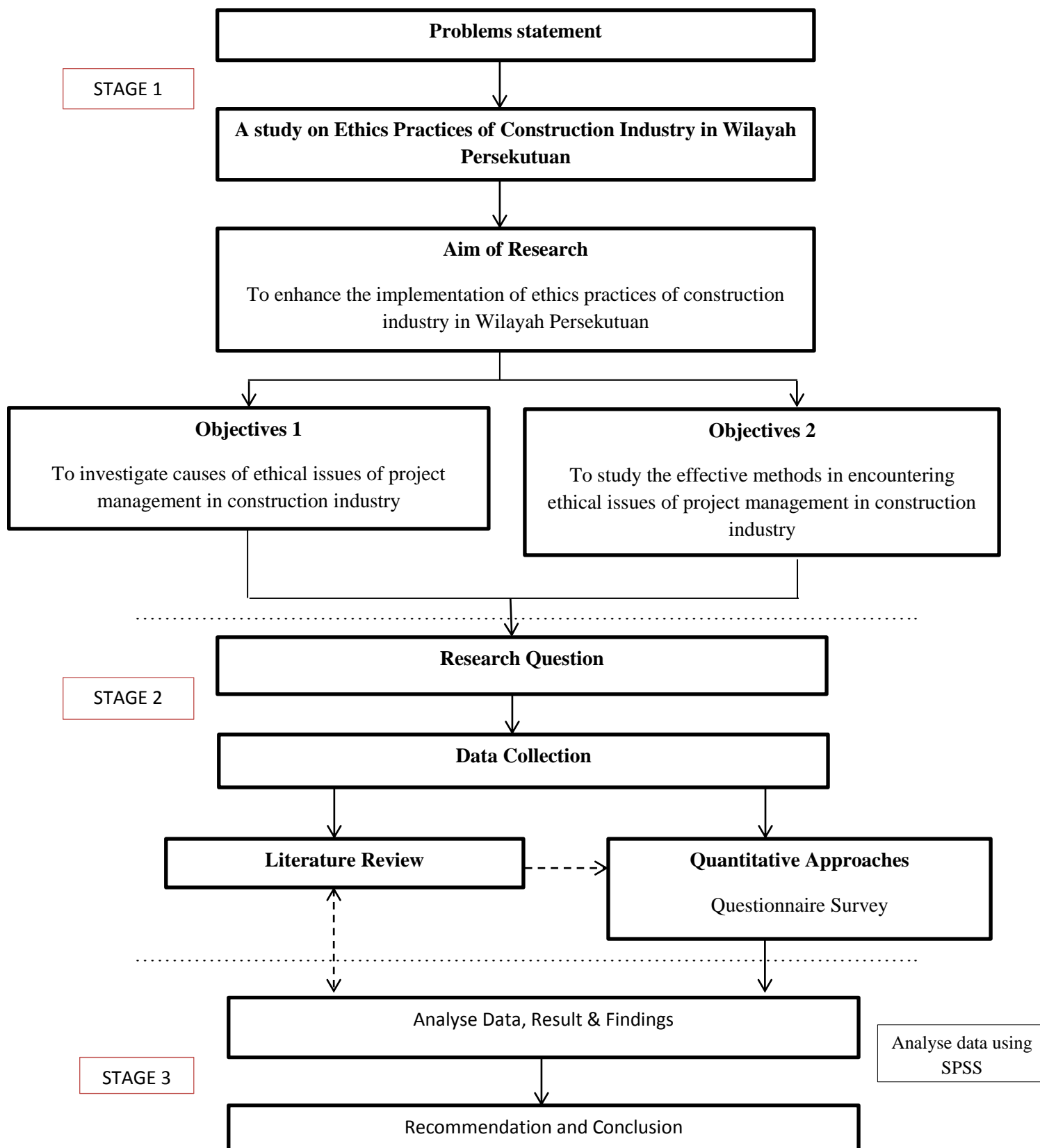
**Figure 3.1:** Research Framework

### **3.1 INTRODUCTION**

This chapter discusses on the methodology that will be used in this research. It includes literature review which are related to ethical practices in construction industry, information about the research design, sampling and population, questionnaire design, development of questionnaire, data collection and the method of processing and analysing the data. In this research, questionnaire is the main method that will be used in collecting data and perspectives from the respondents.

Referring to the objectives of the research, it focused on the study of causes in ethical issues and approaches to encounter ethical issues in construction industry in Wilayah Persekutuan. This research will be administering a survey of questionnaires, and get feedback from the contractors grade G7 in Wilayah Persekutuan about the causes of ethical issues in construction projects applied in Wilayah Persekutuan.

### 3.2 RESEARCH PROCESS



**Figure 3.2:** Research Flow Chart

### **3.3 Population and sampling**

Population is a complete collection of measurements, outcomes, objects or individuals in research by researcher. According to Yount (2006), a population should consist of all the subjects that should be in a study. In this research, population of 1210 construction companies in Wilayah Persekutuan are identified from Construction Industry Development Board (CIDB). These companies are study based on their grade which is G7. Sampling can be defined as a subset of the population that is observed. The methodology use for this research is non-probability sampling of active contractors in construction companies in Wilayah Persekutuan that registered under CIDB.

According to Salant (1994), non-probability sampling is depending on subjective judgment. Non-probability is used when the probability of the objective is unknown and hard to determine the reliability of sample (Yamane, 1967). Non-probability sampling is chosen as it is not time consuming. This is because restriction time to complete the research. Hence, this research requires short time to gain data from respondents and insert data into the database. The sampling is use due to low cost. As a student, it should be suitable if not much of cost is used. This sampling help to not run of cost and the research can still be completed. Thus, non-probability sampling is an appropriate sampling to gain the greatest research data.

### 3.4 Sampling Frame

Sampling frame is a list or other device used to define a researcher's population interest (Lewis-Beck & Tien, 2004). This statement explains that a researcher may select a sample of the target population regarding a set of elements. This is because it is difficult to get access in the population by looking at the interest. A valid of sample size in a population can be determined by using formula or table (Krejcie & Morgan, 1970). A formula can be used to determine the sample size and the formula has been simplified in a table.

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970

**Figure 3.3:** Krejcie & Morgan Table (1970)

### 3.5 Sampling Method

Non-probability sampling is chosen to use in this research. This sampling is suitable for social research due to some theoretical reasons. Non-probability sampling is a method of sampling by which the samples are congregated in a procedure where not all individuals in the population will be selected. This sampling consists of four main samples such convenience sample, purposive or judgemental sample, snowball sample and quota sample.

Convenience sample where it is depending on available subjects (Mugera, 2013). For example, gain information from pedestrians that pass by. Despite, it is high risk and cautious but it consider as one of the sampling methods. In a research, the important element is the population of the respondents compare to the method used (Sears, 1986). This method may know as convenience sample, where a researcher difficult to control over the representatives samples. Purposive or judgemental sample is sample that based on the knowledge of a population corresponding with the purpose of study. For example, in this study of ethics practices the selected sample is from contractors who have the knowledge on this ethics practices in construction industry.

Snowball sample is a sample that the population is difficult to locate such as homeless, migrant or undocumented immigrants. This sampling is using probability sample according to the statistical properties (Goodman, 1961). For instance, a researcher wants to interview an undocumented immigrants in Malaysia. A researcher may depend on the undocumented immigrants to locate other undocumented immigrants in the research. Last sample, quota sample where the sample is select based on pre-specified features to attain the total sample with the same features in the population the researcher wants to study.

### 3.6 QUESTIONNAIRE DESIGN

This research is using survey on two purposes. The first purpose is to identify the causes of ethical issues among contractors in construction industry by concerning economic downturn, national objectives, leadership, non-transparent in selection process and ineffective evaluation of the process. The second purpose is to collect data on the suitable methods in encountering ethical issues in construction industry in Wilayah Persekutuan. The questionnaires also develop as closed and structured questions. This type of questions allow respondents to answer which adequate with the categories that have been decided. The options of answer are restricted as two such as 'yes' or 'no', and 'male' or 'female'. Otherwise, it can be complex lists of alternatives so respondents can choose. The answer should be in quantitative data which can be counted and it is ordinal answer in which can be ranked by using rating.

This closed and structured questions are economical as it provides a large amount of research data but low costs. The data also can be attained in a short time as it is easy to answer and suitable for a large sample size in the population. Questions that closed and structured are usually standardised by which all respondents are asked with the same questions in the same order. This help in the reliability of data to be checked and the results are consistent.

Basically, development of questionnaire should consist of the types of questions that are going to be asked. In this research, the questions will be divided into three sections:

**Section A :** Ultimately, the questions in this section focus on demographic questions in which to gain information about the respondents such as name of company, age, gender, race, highest level of qualification, years of establishment, etc. The questions also help in determining factors that affect a respondents' answer and this demographic questions are enabled to classify respondents into certain groups and look the variety of answers. The questions are basis from (Hopkins, 2008).

**Section B :** Questions in this section focus on the first objective in which to study the causes of ethical issues in construction industry. The questions are asked to gain information on causes of ethical issues in construction industry. The questions are developed from previous researchers such as Azhar et al. (2011), Alutu & Udhawuve (2009), Hassim et al. (2010), Olusegun et al. (2011) Vee & Skitmore (2003), Mason (2009) and FMI/CMAA (2004).

**Section C :** The questions in this section is referring on methods in encountering ethical issues in the construction industry. The questions are asked as to obtain the best method to combat ethical issues in construction industry. The questions gained from previous researchers such as Ssegawa & Abueng (2010), Azhar et al. (2011), Adnan et al. (2011), Rahman et al. (2010), Mishra & Mittal (2011), Ehsan et al. (2009), and Moylan (2008).

### **3.7 DATA COLLECTION**

Questionnaires (refer Appendix 1) will be distributed to 291 respondents that are selected from for the research, accompanied with a cover letter and questionnaires. There are several approaches will be used to distribute questionnaires to 291 respondents such as :

- Email
- Facsimile
- Deliver by hand

Those approaches will be used as that are the suitable approaches to distribute questionnaires and gain feedback in a short time with low costs. After a week of from the initial date stated in the cover letter, there will be reminder send to all respondents as to remind them to answer the questionnaires. A week before collection date as stated in the cover letter, there will second reminder send to the respondents. Estimation time to return the questionnaires is about a month. This is because to gain enough respondents within the time. This timetable is used to remind the respondents to complete the questionnaires without exceed the time (Suskie, 1996). Likewise, it contributes to the



chances of doubling the initial response rate, generally less than 40% after first distribution. Avoid in constructing a complex and lengthy questionnaire.

### **3.8 DATA ANALYSIS**

The data analysis includes of examining the surveys for correctness and completeness, and keying data into a database in Statistical Package for the Social Science (SPSS), and carrying out an analysis of descriptive responses according to frequency distributions and descriptive statistics. Frequency tables and descriptive statistics are constructed based on the results that are gain later with respect to each of research questions.

#### **3.8.1 Statistical technique**

After collecting data using questionnaire, the data should be insert in a statistical software called SPSS (Statistical Package for the Social Science). SPSS is a comprehensive and flexible statistical analysis and management of data solution. It collects data from any type of file and generate the data in tabulated reports, charts, and plots of distributions and trends, descriptive statistics, and conduct complex statistical analyses. Regardless, the data will be classified into several types of data before analysed (Garth, 2008). In this research, the data that are gained from 291 respondents are inserted into the SPSS in order to produce all the calculation in any types of statistical analyses.

#### **3.8.2 Likert scale**

Likert scale is named after the originator of this technique, Dr. Rensis Likert, a sociologist from University of Michigan. This technique has been created to measure attitudes by which realistically be interpreted in a proper metric scale of measurements (Uebersax, 2006). A psychometric replication scale primarily utilized in questionnaires to obtain participant's preferences or degree of compliant with a verbalization or set of verbalization. According to Liu & Yu (2013), they relied on these 5 points of Likert

scale for respondents to rate their answers regarding to variety of self-report questionnaires.

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
1	2	3	4	5

**Figure 3.4:** Rating scale of Likert

### 3.8.3 Mean score

According to Ghafar (2003), the range in mean score is to analysis the answers of the respondents and rank the answers.

**Table 3.1:** Mean Score Range

Score	Level
1.00-2.33	Poor
2.34-3.66	Moderate
3.67-5.00	Good

The interpretation of data according to descriptive statistics. Descriptive statistics provide analysis in mean, standard deviation, range of scores, skewness and kurtosis (Pallant, 2010). However, this research only uses mean score range in describing the characteristics of respondents. After the variables have been summarised, the data variables will be interpreted by using mean.

### 3.8.4 Percentages

Data that has been collected from respondents will be analysed by using SPSS and one of the methods is percentages. Summary of percentages is created from “frequencies” command which is often used for questions in Section A (Demographic). It should be cleared on what the percentages of as percentages show proportions (Garth, 2008). Percentages help in proportioning the data according to the frequency. There is a general rule of percentages of a total:

$$100 \times (\text{the individual value} / \text{the total of the values})$$

## 3.9 CONCLUSION

This research methodology has been used non-probability sampling which is the best way to collect data in a short time with low costs. The questionnaires also are corresponds to the literature review elements, completed the objectives of the research. Questions are made from closed questions and structured questions because it is easy to quantify the data with specific elements that are chosen.

## **CHAPTER 4**

### **DATA ANALYSIS**

#### **4.1 INTRODUCTION**

In this chapter, the researcher represents data analysis from the respondent's responses that have been collected in Wilayah Persekutuan. Data is analysed and interpreted to enhance understanding of the research by using research methodologies that have been chosen such as descriptive analysis, mean score analysis and percentage. Data collected from G7 contractors as respondents in Wilayah Persekutuan. Data analysed based on descriptive analysis including age, gender, race, highest level education and experience in work. Additionally, the questionnaire has been divided into categories that are easily to calculate the mean score.

## 4.2 RESPONSE RATE

This research has distributed questionnaire to a number of respondents based on the Krejcie & Morgan (1970) table according to the population size. The total of respondents are 291 but only 146 return to response and about 145 are not return the survey. The respondents shows about 50.17% from the respondents are returned the survey throughout this research has been carried out.

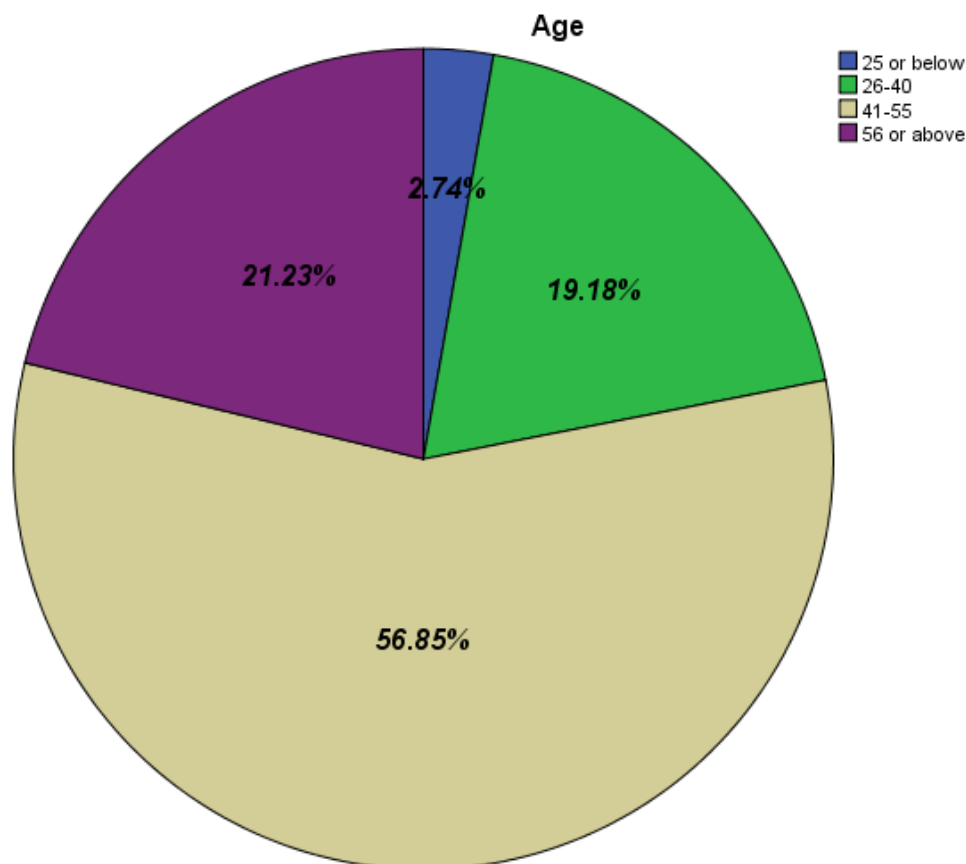
**Table 4.1:** Response rate

<b>Response rate</b>	<b>Frequency (n)</b>	<b>Percentage (%)</b>
Returned	146	50.17
Unreturned	145	49.83
<b>Total</b>	<b>291</b>	<b>100</b>

## 4.3 DEMOGRAPHIC ANALYSIS

Demographic analysis has been used two methodologies which are descriptive analysis and percentage as to provide with the mean, mode, median and standard deviation as well as the percentages of each part in the demographic section of question. Descriptive analysis refer to the analysis of data by describing, showing and summarizing data in an expressive way. Percentages refer the frequencies gain from the analysis of data. Demographic analysis also crucial to determine whether the respondents that response to the questionnaires are valid or vice versa as researcher divided the demographic questions into five types which included age, gender, race, highest level of qualification and experience in work. These questions helped researcher to conclude the data wisely.

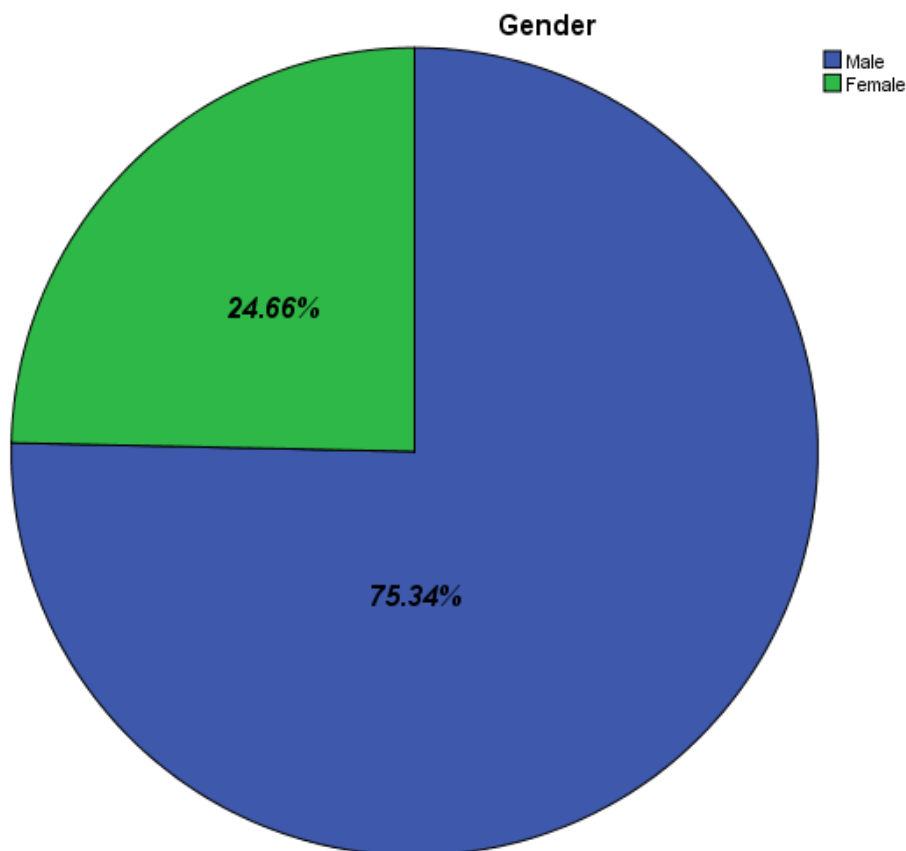
### 4.3.1 Respondents' Age



**Figure 4.1:** Respondents' Age

Conforming to Figure 4.1, respondents at the range age of 41-55 shows the highest rate response about 56.85% and equivalent to 83 respondents. The second highest rate response shows a percentage at 21.23% which represented of 56 and above. The percentage equivalent to 31 respondents. Nevertheless, other range age of 26-40 and 25 or below shows the least percentages which about 19.18% and 2.74% correspondingly. Both percentages were equal to 28 and 4 respondents. This increase the validity of this research as most of the respondents were at the matured age and have knowledge related to this research.

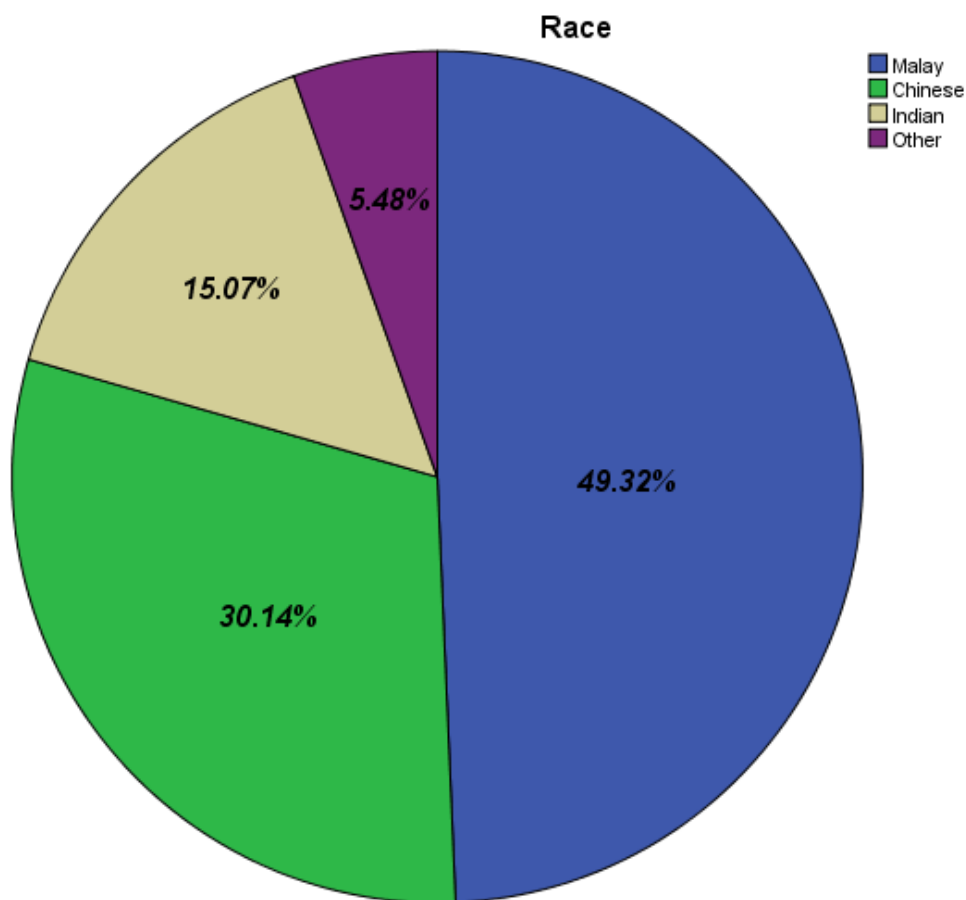
### 4.3.2 Respondents' Gender



**Figure 4.2:** Respondents' Gender

According to Figure 4.2, male respondents were the highest rate response as the research has been carried out. The percentage shown above about 75.34% of male respondents which equivalent to 110 respondents respectively. Meanwhile, female respondents stated the lowest rate response about 24.66% and equalled to 36 respondents. This can be concluded that most of the contractors that have been involved in construction industry were male compared to female as this industry needed people who durable to the environment and do heavy work.

### 4.3.3 Respondents' Race

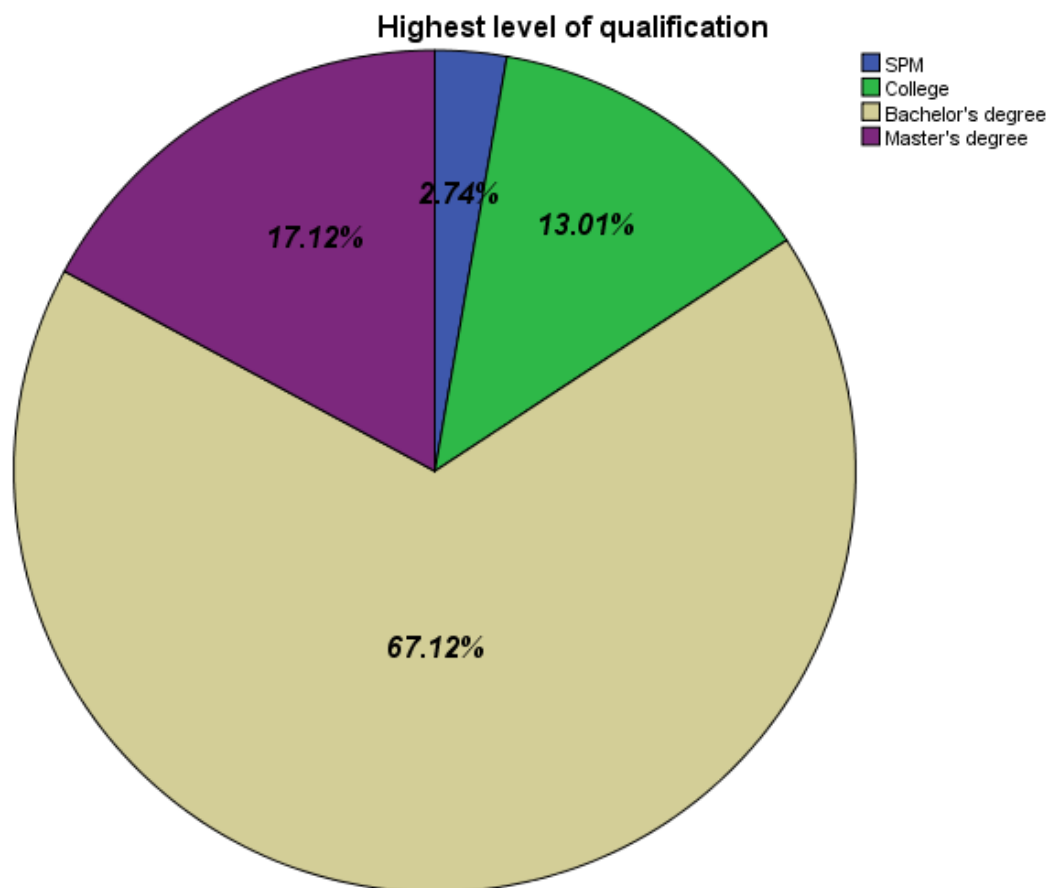


**Figure 4.3:** Respondents' Race

In Figure 4.3, the highest rate response was Malay respondents which presented about 49.32% and equalled to 72 respondents. Nonetheless, the second highest was 30.14% represented Chinese. The percentage equivalent to 44 respondents. Other respondents from other race such as Indian and other stated the percentages of 15.07% and 5.48% respectively. Both percentages were equivalent to 22 and 8 respondents. This can be seen as most of the Malays were the major contributor in construction industry as they like to do outdoor and heavy work.



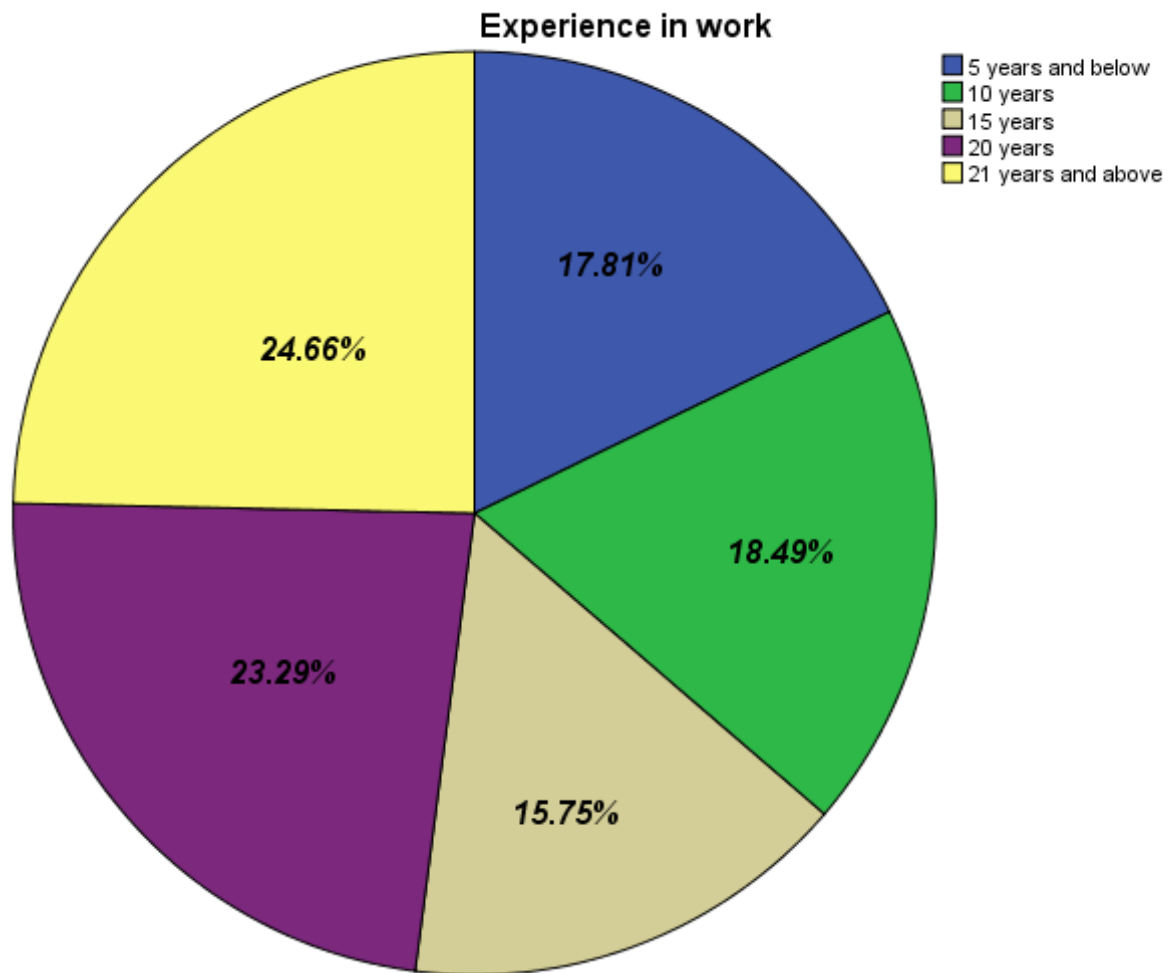
#### 4.3.4 Respondents' Highest Level of Qualification



**Figure 4.4:** Respondents' highest level of qualification

According to Figure 4.4, most of the respondents are bachelor's degree holders in which contributed about 67.12% and equivalent to 98 respondents. Concurrently, about 17.12% is contributed by respondents with master's degree and equivalent to 25 respondents. Respondents which qualified from college were about 13.01% which came from 19 respondents contributed in this research. The least percentage is 2.74% equivalent to 4 respondents have only SPM for the highest level of qualification. Therefore, most of the respondents were came from knowledgeable people. This shows that they were valid to answer the survey.

#### 4.3.5 Respondents' Experience in Work



**Figure 4.5:** Respondents' experience in work

Figure 4.5 shows that the highest respondents' experienced in their working field is 24.66% which represented 21 years and above. The percentage equivalent to 36 respondents. Meanwhile, the second highest for experience in work is 23.29% which equalled to 34 respondents where represented by experience for 20 years. 18.48% of percentage was contributed by 10 years which equivalent to 27 respondents. Both percentages for experience in work field of 5 years and below and 15 years were 17.81% and 15.75% correspondingly. The percentages were equivalent to 26 and 23 respondents. This proved that most of the respondents were experienced people in construction industry which make the answers for the survey were reliable as they were knowledgeable and have experience in construction industry.

#### 4.4 DESCRIPTIVE ANALYSIS

Descriptive analysis refer the usage of data that has been collected includes mean, median, mode, standard deviation and variance to interpret data and produce accurate result.

##### 4.4.1 Causes of ethical issues

Causes of ethical issues among contractors in Wilayah Persekutuan have been identified in this study. Wilayah Persekutuan has been well-known with construction industry as it is a big state and development has been growing rapidly. Thus, ethical issues have been spread among contractors as they need to compete among them to gain big tenders.

##### 4.4.1.1 Economic downturn

**Table 4.2:** Mean score of Economic Downturn

No	Statement	N	Mean
1.	Economic downturn force you to accept bribery for tenders	146	3.73
2.	Salaries of workers are delayed	146	3.75
3.	Insecurity of job	146	3.74
4.	Competitiveness between contractors	146	3.79
<b>Total mean</b>		<b>15.01</b>	
<b>Average mean</b>		<b>3.75</b>	

Table 4.2 described three statements that relate economic downturn as a cause to ethical issues in project management of construction industry. According to the table, “competitiveness between contractors” has the highest mean score from the others. This shows that most of the respondents agreed that the statement happened in the industry which lead economic downturn as the cause to ethical issues in project management of

construction industry. The lowest mean score represented by the statement “economic downturn force you to accept bribery for tenders” about 3.73.

Economic downturn has the average mean of 3.75. As the research has been carried out, the respondents might agree that economic downturn contributed to ethical issues among contractors in construction industry. Economic downturn may rise the competitiveness between contractors especially in gaining tender for projects as people live in desperation and need to survive. Hence, economic downturn may limits the tenders for contractors because less of development will be done during economic downturn. According to Ray et al. (1999) , economic downturn that rise competitiveness between contractors potentially lead to corruption and collusion between tenderers as the value for cover price can only be obtained by the cover prices. This statement consistent with this research as most of the respondents agreed that economic downturn contributed to ethical issues in construction industry and produced average mean score as good.

#### 4.4.1.2 National objectives

**Table 4.3:** Mean score of National Objectives

No	Statement	N	Mean
5.	Insufficient legislative enforcement	146	3.70
6.	High cost of obtaining redress in count of law	146	3.70
7.	Scarifying the national interest for any person gain	146	3.67
<b>Total mean</b>		<b>11.07</b>	
<b>Average mean</b>		<b>3.69</b>	

According to Table 4.3, there are three statements to relate national objectives as a cause to ethical issues among contractors in construction industry. Two statements, “insufficient legislative enforcement” and “high cost of obtaining redress in count of law” shows the highest mean scores which were 3.70 respectively. However, “scarifying the national interest for any person gain” has the lowest mean score which

was 3.67. This proved that national objectives might be the cause to ethical issues among contractors in construction industry.

Average mean score for national objectives stated above as 3.69 which was good. Hence, many of respondents agreed to the statements above to relate national objectives to be the cause to ethical issues in construction industry because many contractors are competing to gain tenders from government and develop Malaysia towards *Wawasan 2020*. Corruption can increase up to 25% to the cost of public contracting, generating waste of public resources, missed development opportunities, an unstable environment for businesses (Transparency International, 2005) as cited from (Hassim et al. 2010). This consistent with this research findings because most of contractors compete hardly to have contract with government.

#### 4.4.1.3 Leadership

**Table 4.4:** Mean score of Leadership

No	Statement	N	Mean
8.	Professional indiscipline	146	3.71
9.	Discrimination between workers	146	3.64
10.	Insufficient education from professional institution	146	3.64
11.	Contractors eloping from their duties after delivering the project	146	3.68
<b>Total mean</b>		<b>14.67</b>	
<b>Average mean</b>		<b>3.67</b>	

Table 4.4 shows the mean scores for four statements that may relate leadership to be a cause to ethical issues among contractors. The highest mean score was represented by “professional indiscipline” at 3.71 followed by “contractors eloping from their duties after delivering the project” at 3.68. Both statements of “discrimination between workers” and “insufficient education from professional institution” stated similar mean scores of 3.64.

Leadership has an average mean score of 3.67. It proved that most of the respondents have agreed leadership can be the cause to ethical issues among contractors as professionalism and leadership play crucial roles to ensure ethics practices implemented in organization. Ethics should be started from the top which means the leader should master in ethics policies, practices and attitude to be followed by employees. According to Bayles (1989), professional ethics can be defined as a system of norms so that both morality and behaviour of professionals could be dealt with their day-by-day practice to this system. Leadership has been the cause of ethical issues as leadership as a role model of professionalism in construction industry (Rahman et al. 2007). This statement constant to this research because it shows most of the respondents agreed to the statements above and proved leadership to be the cause of ethical issues. Thus, it came out to be good from the average mean score.

#### 4.4.1.4 Non transparent selection process

**Table 4.5:** Mean score of Non transparent selection process

No	Statement	N	Mean
12.	Lack of transparency	146	3.75
13.	Favouritism	146	3.78
14	Negligence during selection of contractors in awarding tender	146	3.70
<b>Total mean</b>		<b>11.23</b>	
<b>Average mean</b>		<b>3.74</b>	

Table 4.5 described three statements for non-transparent selection process to be relate as a cause of ethical issues in construction industry. “Lack of transparency” has the highest mean score at 3.35. Nonetheless, “favouritism” and “negligence during selection of contractors in awarding tender” have similar mean score 3.34.

Average mean for non-transparent selection process stated above was 3.34 which equivalent to moderate level. This conclude that the respondents may agree or not agree to the statements and made non-transparent selection process to be not strong enough as the cause that led to ethical issues in construction industry. Conferring to

Hassim et al. (2010), it is crucial that the issue of transparency and accountability are focused when it involves public expenditure. However, the statement has been contradicted with this research as some of the respondents may not agree to the statements above have happened and some of the respondents may agree to the statements in the table to be happened. Thus, the interpreted answers has put non-transparent selection process at moderate level.

#### 4.4.1.5 Ineffective evaluation of the process

**Table 4.6:** Mean score of Ineffective evaluation of the process

No	Statement	N	Mean
15.	Overlapping between personal and professional ethics	146	3.95
16.	Profit maximization by contractor	146	3.89
17.	You are selected without qualification/experience/training	146	2.20
18.	Failure to follow proper procedures in awarding tender	146	3.99
<b>Total mean</b>		<b>14.03</b>	
<b>Average mean</b>		<b>3.51</b>	

Table 4.6 shows four statements to relate ineffective evaluation of the process with ethical issues. “Failure to follow proper procedures in awarding tender” has the highest mean score of 3.99. “Overlapped between personal and professional ethics”, “Profit maximization by contractor” and “You are selected without qualification/experience/training” followed the highest statement with mean scores of 3.95, 3.89 and 2.20 respectively.

Average mean score for ineffective evaluation of the process was 3.51. This shows that most of the respondents agreed contractors have gone through ineffective evaluation of the process that contributed to ethical issues in construction industry as

lack of accountability. Agreeing with Beh (2007), accountability is a mechanism on endorsing a high standard of ethical conduct in order to move towards developed nation. This consistent with the statement as accountability is important for effective evaluation of the process.

#### 4.4.2 Effective Methods to Encounter Ethical Issues

Effective methods to encounter ethical issue among contractors in Wilayah Persekutuan. Effective methods are essential to encounter all issues related to ethics in construction industry as the industry is the main contributor to Malaysia's economic. These actions also to maintain good reputation of the industry as well as the country and enhance the credibility of contractors in Malaysia.

##### 4.4.2.1 Code of Conduct

**Table 4.7:** Mean score of Code of Conduct

No	Statement	N	Mean
1.	CIDB should implement Code of Conduct in encountering ethical issues	146	4.09
2.	Malpractice of contractors should be under Code of Conduct	146	3.86
3.	Code of Conduct increases awareness among contractors	146	4.08
4.	Your company implement Code of Conduct	146	3.88
<b>Total mean</b>		<b>15.91</b>	
<b>Average mean</b>		<b>3.98</b>	

Table 4.7 shows the statements to relate code of conduct as an effective method to encounter ethical issues in construction industry. According to the table, most of the respondents agreed that "CIDB should implement Code of Conduct in encountering ethical issues" in construction industry as it has the highest mean score of 4.09. The statement then followed by "Code of Conduct increases awareness among contractors",



“Your company implement Code of Conduct” and “Malpractice of contractors should be under Code of Conduct” with mean scores of 4.08, 3.88 and 3.86 respectively.

Average mean score for Code of Conduct was 3.98. This proved that many respondents agreed that Code of Conduct should be implemented to encounter ethical issues in construction industry. This results contrary with Ssegawa (2005) which has a thought that conflict of the code or malpractice that illegal by law constitutes includes action or inaction was not tolerable in environment of business. Thus, Code of Conduct has been voted to be implemented as the average mean score has level of good.

#### 4.4.2.2 Early education

**Table 4.8:** Mean score of Early Education

No	Statement	N	Mean
5.	Ethics courses compulsory to undergraduate students	146	3.87
6.	Religion obligations effect contractors in behaviours	146	3.88
<b>Total mean</b>		<b>7.75</b>	
<b>Average mean</b>		<b>3.88</b>	

Table 4.8 shows two statements which are needed to support early education as an effective method in countering ethical issues. Conforming to the table, “religion obligations effect contractors in behaviours” has the highest mean score of 3.88. “Ethics courses compulsory to undergraduate students” followed with mean score of 3.87.

Average mean score for early education that has been stated above 3.88 which at a good level. This can proved that early education also plays an important role to make sure that people practices ethics in their daily routine not only in careers. Referring to Bishop (1992), early education and family effects an individual to be leaders in future. This statement constant and support the result of research where early education should be taught to school children, college teens as well as undergraduates students so that they will implement in their lives and careers.

#### 4.4.2.3 Ethics training

**Table 4.9:** Mean score of Ethics Training

No	Statement	N	Mean
7.	Professionalism seminar should be held for contractors in increasing awareness on ethics practices	146	3.92
8.	Ethics training is effective on you	146	3.88
9.	You attend leadership and professionalism course	146	3.89
10.	Temptation to act unethically during professional practices	146	2.39
11.	Medium towards successful contractors is ethics training	146	3.90
<b>Total mean</b>		<b>17.98</b>	
<b>Average mean</b>		<b>3.60</b>	

Table 4.9 shows five statements that may relate ethics training as an effective method to encounter unethical conducts by contractors. Most of the respondents agreed to the statement which is “Professionalism seminar should be held for contractors in increasing awareness on ethics practices” followed closely by statement “Medium towards successful contractors is ethics training” with 3.90 of average mean. The third highest of average mean is 3.89 denoted from statement “You attend leadership and professionalism course”. Nonetheless, there are some who agreed “ethics training is effective on you” and least has agreed to the “temptation to act unethically during professional practices” which the mean scores obtained are 3.88 and 2.39 correspondingly.

This method of ethics training has average mean score of 3.60 which at moderate level. This means that most of the respondents may some agree to the statements and vice versa which relate ethics training to effective method in encountering method. Some of them still not sure that ethics training to be effective method to encounter ethical issues. This results contradict to Lurie & Burkill (2013)

who thought that ethics training may need to be conducted internally and externally by contractors and suppliers. However, there is no a specific justification that can prove ethics training as an effective method to counter ethical issues.

## 4.5 SUMMARY OF MEAN ANALYSIS

### 4.5.1 Summarization Causes of Ethical Issues

The causes of ethical issues mostly are agreed to be happened by most of the respondents as many statements in the questionnaire resulted high mean scores. Table below shows, the highest mean scores of statements have been concluded in accordance with the category. This table is for evidence to prove the statements happened in the industry and have been agreed by most of the respondents in this research. Besides, this table may help as a reference for future research.

**Table 4.10:** Causes of Ethical Issues

<b>Causes of Ethical Issues</b>	<b>Mean Score</b>	<b>Average Mean</b>
<b>1. Economic downturn</b> Competitiveness between contractors.	<b>3.79</b>	<b>3.75</b>
<b>2. National objectives</b> a) Insufficient legislative enforcement. b) High cost of obtaining redress in count of law.	<b>3.70</b> <b>3.70</b>	<b>3.69</b>
<b>3. Leadership</b> Professional indiscipline.	<b>3.71</b>	<b>3.67</b>
<b>4. Non-transparent selection process</b> Lack of transparency.	<b>3.78</b>	<b>3.74</b>
<b>5. Ineffective evaluation of process</b> Failure to follow proper procedures in awarding tender.	<b>3.99</b>	<b>3.51</b>

#### 4.5.2 Summarization Effective Methods to Encounter Ethical Issues

The effective methods to encounter ethical issues have been identified from the findings of this research. Many of the respondents have agreed on the following statements to implement these effective methods to counter ethical issues in construction industry. Hence, high mean scores have been analysed from collected data. This shows that statements that relate the effective methods with ethical issues are reliable and valid to prove the effectiveness of the methods. Summary of the highest mean scores of statements have been concluded according to the category in table below.

**Table 4.11:** Effective Methods to Encounter Ethical Issues

<b>Effective Methods to Encounter Ethical Issues</b>	<b>Mean Score</b>	<b>Average Mean</b>
<b>1. Code of Conduct</b> CIDB should implement Code of Conduct in encountering ethical issues.	<b>4.09</b>	<b>3.98</b>
<b>2. Early education</b> Religion obligations effect contractors in behaviours.	<b>3.88</b>	<b>3.88</b>
<b>3. Ethics training</b> Professionalism seminar should be held for contractors in increasing awareness on ethics practices.	<b>3.92</b>	<b>3.60</b>

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATION**

#### **5.1 INTRODUCTION**

In this chapter, researcher will summarize overall about this research. This chapter also will review the research objectives, limitations and recommendations. All elements will be summarized to have a clear view on the relationship between two objectives as well as to answer the research questions. This research is concentrating on the causes and effective methods to encounter any ethical issues that happen in construction industry of Wilayah Persekutuan as this area has many mega projects which may lead to ethical issues.

#### **5.2 CESSATION OF RESEARCH**

This research is to investigate the causes of ethical issues in project management of construction industry and to study the effective methods to encounter ethical issues in project management of construction industry. These research objectives have been discussed throughout the research by following research questions, statement of problem and expected result from this research.

### **5.2.1 Research objective 1 – To investigate the causes of ethical issues in project management of construction industry**

Research objective of this study was to investigate the causes of ethical issues in project management of construction industry among contractors in Wilayah Persekutuan. This research objective has been achieved throughout this research because the findings proved that most of the causes such as economic downturn, national objectives, leadership, non-transparent selection process and ineffective evaluation of the process contributed to ethical issues in construction industry. The results showed from the data analysis, three causes from five causes produced the highest mean scores. Thus, it has strong proof which relate those three causes actually happened in the industry.

#### **5.2.1.1 Economic downturn**

Economic downturn has been the cause to ethical issues among contractors in construction industry in Wilayah Persekutuan. Based on the findings, the economic downturn attained the average mean score of 3.75. The highest mean score of statement that contributed to economic downturn is 3.79 denoted by “competitiveness between contractors”.

#### **5.2.1.2 National objectives**

Cause of ethical issues included national objectives as contractors are possibly in tense to achieve *Wawasan 2020* that has been announced by former Malaysia Prime Minister. The result has been discussed in Chapter 4, national objective has the average mean of 3.69. The highest mean score is 3.70 embodied by two statements “insufficient legislative enforcement” and “high cost of obtaining redress in count of law”.

### **5.2.1.3 Leadership**

Leadership plays an important role in project management of construction industry in Wilayah Persekutuan. A champion should be a role model to the employees to obtain good attitudes and act ethically. Findings in Chapter 4 have come out with an average mean of 3.67 for leadership. In this research, the highest mean score is “professional indiscipline” at 3.71.

### **5.2.1.4 Non-transparent selection of the process**

Non-transparent selection process considering the transparency and accountability to select tender or projects. Thus, a contractor should undergo this process ethically to avoid any circumstances in future. Previous chapter has been discussed this non-transparent selection of the process and come out with an average mean score of 3.74. The highest mean score achieved by a statement of “lack of transparency” with a mean score of 3.78.

### **5.2.1.5 Ineffective evaluation of the process**

In addition, ineffective evaluation of the process focusing on the accountability of persons that need to be worked together. There are statements from the questionnaire that relate accountability with ineffective evaluation of the process and causes of ethical issues. The average mean obtained is 3.51 and the highest mean score is 3.99 denoted by “failure to follow proper procedures in awarding tender”.

## **5.2.2 Research objective 2 – To study the effective methods to encounter ethical issues in project management of construction industry**

Secondly, the research objective which to study the effective methods to encounter ethical issues in project management of construction industry in Wilayah Persekutuan. This objective has been accomplished whereas most of the respondents agreed to implement Code of Conduct and early education. Nonetheless, there are also some of the respondents that agreed to ethics training. Both Code of Conduct and early

education have strong findings to support the implementation of both methods are effective instead of ethics training.

#### **5.2.2.1 Code of Conduct**

Code of Conduct is a method that used to solve any codes or malpractice which is against the law constitutes and not intolerable. This findings has accomplished by gaining average mean 3.98. There is a statement “CIDB should implement Code of Conduct in encountering ethical issues” that attained the highest mean score at 4.09 to relate Code of Conduct as effective method to encounter ethical issues.

#### **5.2.2.2 Early education**

Early education in ethics by exposing individuals about the importance of ethics in life at early age. This method agreed by most of the respondents to be an effective method to encounter ethical issues with average mean of 3.88. Statement of “religion obligations effect contractors in behaviours” stated the highest mean score of 3.88.

#### **5.2.2.3 Ethics training**

Ethics training is usually implemented in organization for career life to endure unethical conducts happen in industry. This can be achieved when the average mean for ethics training in this research is 3.60. Nonetheless, the highest mean scores stated are 3.92 by the statement “professionalism seminar should be held for contractors in increasing awareness on ethics practices.



### **5.3 LIMITATIONS OF RESEARCH**

Limitations are situations, inadequacies or restrictions that a researcher cannot control which affect the methodology and findings. Limitations should be mentioned in this research as to improve for future researchers.

#### **5.3.1 From research**

The limitation that a researcher gain from this research:

- **Data collection**

As this research is needed response from a high level contractors, the data collection may take longer time as most of them do not have time to allocate to answer the survey and researcher need to call them to acknowledge and remind them to answer the survey. Despite, sometimes the respondents do not entertain, but researcher has been highly motivated and patient to gain their responses.

- **Inadequate respondents**

From Krejcie & Morgan (1970) table, researcher need to distribute and gain response from 291 respondents. However, only half of 291 responded to the survey as most of them have no time to entertain or to response to the survey.

### 5.3.2 From Researcher

The limitations a researcher face in this research:

- **Lack of knowledge in using SPSS**

The main limitation for the researcher is lack of knowledge on using SPSS as the workshop that has been held by the faculty is not enough. Researcher only learn from Youtube, book and friends.

- **Time**

Lack of time also has been a limitation that need to be faced by the researcher as to analyse data as well as need to learn on how to use SPSS at the same time. Furthermore, the respondents do not response in a short time that cause the researcher to drag time to analyse data.

- **Cost**

As a student, researcher needs to contribute some money in order to contact the respondents and went to few companies to gain response from them.

## **5.4 RECOMMENDATION**

There are a few recommendations can be implemented to improve the management of construction industry as well as to maintain good reputation of the industry.

### **5.4.1 Industry**

#### **5.4.1.1 Enforcement Code of Conduct by Government**

Firstly, government should enforce Construction Industry Development Board (CIDB) to implement Code of Conduct and expose it about the importance of Code of Conduct to the contractors that registered under CIDB. This will ensure that contractors not do any unethical practices beyond the law and legal action is applicable to anyone who breach the law.

#### **5.4.1.2 Campaign of Ethics Practices**

Secondly, government may do campaign to increase awareness of ethics practices to all construction companies through media social, broadcasting, advertisement etc. Nowadays, the world is exposed to high technology which all things just at tip of fingers. This may help to reduce ethical issues among contractors as well as the society who is contributing in construction industry.

#### **5.4.1.3 Implementation of Ethics Education**

Ministry of Education should implement ethics education in all institutions starts from primary school as children should know the importance of act ethically and they may also learn moral values.

## **5.4.2 Researcher**

### **5.4.2.1 Enhance reading skill**

Recommendations also may benefit to future research. As a researcher, one should work hard to do homework by read journals, books, case studies, articles and any reading materials that help to increase knowledge. This method is very helpful to those who wants to do research and it improve one's understanding on something. Reading is not a crime as it increase your knowledge.

### **5.4.2.2 Adapt with New Technology**

A researcher also should be hardworking to learn and adapt new technology as people live on a 21<sup>st</sup> century in which things work just by clicking. Make useful of media social, electronic devices and so forth. Lastly, to be a researcher be resourceful and willing to learn new things by observe your surroundings as well as environment. Hear others opinion and respect others. This is because we live not to please the Creator but His creatures as well.

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## APPENDIX 1



### FACULTY OF INDUSTRIAL MANAGEMENT

### BPP3522 FINAL YEAR PROJECT 1

#### Bachelor Degree of Project Management

Dear Dato', Datin, Sir, Madam, Mr., Ms.,

First of all, I would like to thank for taking part in my survey. The present research is about ethics practices of construction industry in Wilayah Persekutuan. From bottom of my heart, I would like to invite you in contributing for my survey and thank you in advance for your participation. This is an academic study that undertaken to fulfill the partial requirement for the subject of Final Year Project (FYP) at University Malaysia Pahang (UMP). Kindly complete the attached questionnaire based on your honest opinion and experience. All the questions are based on individual experience and there is no right or wrong answer. Your response will be treated with highest confidentiality and only will be used for the purpose of the academic research.

Lastly, I would like to thank you for your kind cooperation in this survey. Your kind cooperation and participation is highly appreciated. Should you have any further question, please do not hesitate to contact me.

.....

(Sign)

.....

(Date)

**SECTION A : DEMOGRAPHIC**

This section aims to determine factors that influence the answer of the respondents. Below are the details for the respondents. Please write in the blank space and TICK (✓) to choose your answer.

Company: \_\_\_\_\_

Age

☐ 25 or below

☐ 26-40

☐ 41-55

☐ 56 or above

Gender

☐ Male

☐ Female

Highest level of qualification

☐ SPM

☐ College

☐ Bachelor's degree

☐ Master's degree

Experience in work

☐ 5 years and below

☐ 10 years

☐ 15 years

☐ 20 years

☐ 21 years and above

SECTION B: CAUSES OF ETHICAL ISSUES					
This section aims to measure the level of awareness on causes of ethical issues in construction industry. Below are the statements to show your respond on this issue. Please TICK (✓) to choose your answer.					
Evaluation Criteria	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
<b>Economic downturn</b>					
1. Economic downturn force you to accept bribery for tenders.	1	2	3	4	5
2. Salaries of workers are delayed.	1	2	3	4	5
3. Insecurity of job.	1	2	3	4	5
4. Competitiveness between contractors.	1	2	3	4	5
<b>National objective</b>					
5. Insufficient legislative enforcement.	1	2	3	4	5
6. High cost of obtaining redress in count of law.	1	2	3	4	5
7. Scarifying the national interest for any person gain.	1	2	3	4	5
<b>Leadership</b>					
8. Professional indiscipline.	1	2	3	4	5
9. Discrimination between workers.	1	2	3	4	5
10. Insufficient education from professional institution.	1	2	3	4	5
11. Contractors eloping from their duties after delivering the project	1	2	3	4	5
<b>Non transparent selection process</b>					
12. Lack of transparency.	1	2	3	4	5
13. Favouritism.	1	2	3	4	5
14. Negligence during selection of contractors in awarding tender.					
<b>Ineffective evaluation of the process</b>					
15. Overlapping between personal and professional ethics.	1	2	3	4	5
16. Profit maximization by contractor.	1	2	3	4	5
17. You are selected without qualification/experience/training.	1	2	3	4	5
18. Failure to follow proper procedures in awarding tender.	1	2	3	4	5

SECTION C : METHODS TO ENCOUNTER ETHICAL ISSUES.					
This section aims to gain opinions on effective methods to encounter ethical issues in construction industry. Below are the statements to show your respond on this issue. Please TICK (✓) to choose your answer.					
Evaluation criteria	Strongly disagree	Agree	Neutral	Disagree	Strongly agree
<b>Code of Conduct</b>					
1. CIDB should implement Code of Conduct in encountering ethical issues.	1	2	3	4	5
2. Malpractice of contractors should be under Code of Conduct.	1	2	3	4	5
3. Code of Conduct increases awareness among contractors.	1	2	3	4	5
4. Your company implement Code of Conduct.	1	2	3	4	5
<b>Early education</b>					
5. Ethics courses compulsory to undergraduate students.	1	2	3	4	5
6. Religion obligations effect contractors in behaviours.	1	2	3	4	5
<b>Ethics training</b>					
7. Professionalism seminar should be held for contractors in increasing awareness on ethics practices.	1	2	3	4	5
8. Ethics training is effective on you.	1	2	3	4	5
9. You attend leadership and professionalism course.	1	2	3	4	5
10. Temptation to act unethically during professional practices.	1	2	3	4	5
11. Medium towards successful contractors is ethics training.	1	2	3	4	5