

ATTITUDES OF CLIENTS TOWARDS UNETHICAL BEHAVIOR IN CONSTRUCTION PROJECTS

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This paper investigates the attitudes of clients towards unethical behavior in construction projects in the Gaza Strip. A questionnaire survey was adapted in this study. A total number of 220 questionnaires were distributed to construction projects clients and 162 questionnaires were returned, a 73.6% response rate. The results indicated that most respondents agreed there is a positive relationship between ethical behavior and long-term profitability of construction organizations. The majority of respondents believed improving ethical practice for professionals could improve ethical performance in construction projects, while unethical behavior may decrease quality. Respondents indicated the major difficulty in developing a strong ethical awareness is that unethical behavior is the prevailing trend within the industry. Most organizations have an ethical code of conduct, but there is great difficulty in applying it due to political and economic conditions. Respondents agreed that the most serious phase in the construction project life cycle affected by unethical behavior is the construction phase, followed by the bid evaluation phase.

Keywords: Ethics, Creditability, Gaza, Project quality, Production efficiency.

1 INTRODUCTION

Ethics is a very important issue of the constructing profession. There is a growing agreement inside and outside the construction industry that corruption and other unethical practices are endemic in the construction industry (Ameh and Odusami 2010). Ethics in project management is a substantial issue and plays an essential role in project success (Hassim et al. 2010). Ethical violations in construction cause real-world problems for owners (Miller 2011). Vee and Skitmore (2003) stated that the industry is generally seen as unsafe, unethical, and insensitive to the needs of minority groups such as women and migrants.

Professional ethics nowadays is considered a high-profile topic within the construction industry (Mason 2009), although ethical behavior in the industry is a subject rarely discussed openly (Miller 2011). Though the construction industry is the key driver of ethics management in economic growth in many countries, the industry faces a long list of ethical challenges related to behavior, including bid shopping, payment games, lying, unreliable contractors, claims games (e.g., false claims, inflated claims), threats, collusion, conflict of interest, fraud, and professional negligence (Ho 2011, Ray et al. 1999). The aim of this paper is to study the attitudes of clients towards unethical behavior in construction projects in the Gaza Strip.

2 BRIEF LITERATURE REVIEW

According to the Oxford English Dictionary, ethics is generally defined as a system of moral principles by which human actions and proposals may be judged as good or bad, right or wrong, as well as a system of moral principles by which a person is guided (*see also* Hinze 1993, Vee and Skitmore 2003, and Sinha et al. 2007). Fellows (2003) and Hamzah et al. (2010) have stated that professional ethics is a system of behavior norms, particularly as related to the employment of the particular knowledge. The construction Management Association of America indicated that more than 80% of almost 300 construction industry professionals (including architects, engineers, and contractors) had personally witnessed unethical behavior in the past year (Miller 2011). Issues of professional ethics within the construction industry affect a wide spectrum of the population (Hamzah et al. 2010). Sinha et al. (2004) pointed out that there is a lack of focus in the construction field regarding the integration of social-impact awareness and ethical behavior into professional practice.

Bond (2009) stated that there is no difficulty or conflict between the professional ethics of an engineer and the social responsibility of his organization. They both seek low levels of risk, and show the levels of social responsibility that the government and the public are demanding (Hamimah et al. 2012). The profession should have a high degree of control to run its professional affairs without undue influence from other professions (Ogachi 2011). Moylan (2008) stated that ethics in the construction industry reflect the range of values and principles held by the companies, which are in real need of the values and principles shared. There have been many efforts taken to increase the ethical standards and integrity among construction professionals worldwide (Hamzah et al. 2010). In the Australian construction industry, codes of tendering have been written in order to deal with ethical problems such as withdrawal, bid cutting, cover pricing, compensation of tendering costs, and collusion (CIOB, 2006). Uff (2003) suggested that the industry should formulate an ethical code of conduct governing the rules of ethical practices for its employees.

3 METHODOLOGY

The targeted group consists of governmental agencies, NGOs, the UN, and INGO's institutions and consultants firms working in the construction industry in the Gaza Strip. There is no official number of clients or the clients' representatives in Gaza. Such rareness of the data reflect the margin of barrier. A total number of 55 clients were identified and 59 consultants obtained from the engineering syndicate, with a total aggregate for the population of 114 clients and consultants.

Because the sample of 114 organizations were all small groups, all of the population was selected to perform the study. Each organization was given two or more copies of the questionnaire, with the total distributed number reaching 220 questionnaires. 162 questionnaires were returned, yielding a 73.6% response rate. The questionnaire was designed based on previous studies, with some modifications to suit the situation of Gaza Strip (*cf.* Oyewobi et al. 2011, Olusegun et al. 2011, Alutu and Udhawuve 2009, Azhar et al. 2011, Vee and Skitmore 2003, Ray et al. 1999, Pearl et al. 2005, Hamimah et al. 2012, Ameh and Odusami 2010, Zarkada et al. 1998, Tow and Loosemore 2009, Hamzah et al. 2010, Ehsan et al. 2009, King et al. 2008, Hamzah et

al. 2010, Mishra and Mittal 2011). Eight experts with 10-15 years' experience were contacted to assess the questionnaire and verify its relevance to the research objective: two experts from the municipality, three from UN agencies, and three experts from consultancy firms. Expert comments and suggestions were collected and evaluated carefully. At the end of this process, modifications and additions were introduced to the questionnaire and the final questionnaire was constructed.

4 RESULTS

4.1 Impact of Unethical Behavior on Cost

The results revealed that, 67.3% (109) of respondents agreed that there is a positive relationship between ethical behavior and long-term profitability of the company, and 64.2% (104) of respondents agreed in terms of short-term profitability. This result is consistent with Azhar et al. (2011), Hamimah et al. (2011), and CIOB (2006). Therefore, enhancing ethical behavior will improve profitability. The results revealed that unethical behavior costs the company between 3% to 5% of annual revenue according to 38.9% (63) of the respondents, and between 1% to 2% according to 34.6% (56) of respondents. This result is compatible with Hamimah et al. (2011) and CIOB (2006), indicating that unethical behavior affects negatively the cost of the projects.

4.2 Impact of Unethical Behavior on Project Quality

Table 1 shows that 52.5% (85) of respondents evaluated the quality of construction industry in Gaza Strip as moderate and 23.5% (38) as low. The result agreed with Hamzah et al.'s (2010) results. The quality of projects is very important aspect; unethical behavior will decrease quality, so improving unethical behavior should be made a priority in order to raise the quality of projects.

Table 1: Evaluation of project quality.

How do you evaluate the quality of the construction industry in Gaza Strip?	Number of respondents	Percent of respondents
Very low	12	7.4
Low	38	23.5
Moderate	85	52.5
High	25	15.4
Very high	2	1.2
Total	162	100.0

Table 2 illustrates that unethical practices affected the quality and production efficiency, according to 49.4% (80) of respondents. King et al. (2008), Hamzah et al. (2010) and Mishra and Mittal (2011) pointed that issue of professionals ethics plays an important role in quality related problems in construction projects which consistent with the previous results.

Table 2. Effect of unethical practices on quality and production efficiency.

Do you think that unethical practices affect the quality and production efficiency in the construction industry?	Number of respondents	Percent of respondents
Very low	0	0
Low	12	7.4
Moderate	46	28.4
High	80	49.4
Very high	24	14.8
Total	162	100.0

4.3 Organization Ethics

The results indicated that 58.6% (95) of the respondents agreed that unethical behavior happened at work, 85.8% (139) indicated that personal ethics are taking over business ethics. However, 67.9% (110) of respondents haven't dealt with organizations that include unethical items. This result is consistent with FIM (2004) and CIOB (2006) survey. 92% of respondents thought that improving ethical practices for professionals could improve ethical performance in construction projects in Gaza Strip. This agreed with Moylan's (2008) result. 68.5% (111) of the respondents mentioned that the organization didn't add special items outside the legal requirements for contracting, while 53.1% (86) of respondents said that there is no clause in the tender documents or contract providers for the control or prevention of unethical behavior with the contractor. These results are in line with Ehsan et al.'s (2009) result. Table 3 shows that 42.6% (69) of respondents evaluated the level of employees' ethical awareness as moderate, and 27.8% (45) described it as high, which gives a positive vision to enhance the ethical behavior to acceptable levels.

Table 3: Level of ethical awareness.

What level of ethical awareness do the employees in your organization have?	Number of respondents	Percent of respondents
Very low	10	6.2
Low	25	15.4
Moderate	69	42.6
High	45	27.8
Very high	13	8.0
Total	162	100.0

The results illustrated that 35.4% (56) of respondents said that the major difficulty in developing strong ethical awareness was that unethical behavior is the prevailing trend within the industry. 32.3% (51) of the respondents stated that this was because it has negative effects on short-term profits. This is consistent with Ehsan et al.'s (2009) findings. The results showed that personal aspects have negative impacts on spreading ethical awareness through organizations. Therefore, unless professionals have the initiative to reduce and avoid the unethical practice themselves, the application of the strict rules and regulation will be useless.

5 CONCLUSION

The results indicated that construction industry in Gaza Strip suffers from unethical practices. The findings revealed that unethical conduct has negative impact on costs, as it affects the profitability of the organization, and causes losses for these organizations every year. It also has an effect on projects' quality, as was indicated that Gaza Strip projects' quality ranges from moderate to low. Therefore, in order to enhance Gaza project quality, ethics awareness must be improved. The respondents suggested that heavier penalties, setting a code of ethics, and ethical awareness were the best ways to monitor unethical behaviors in the construction industry. All professional bodies, such as the Palestinian Contractors Union and the Engineering Syndicate, should work together with the government to solve this ethics crisis.

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