

An Investigation of Ethical Behavior of Construction Professionals in Quality Management

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Abstract

In the context of improving the performance of the construction industry, the values and attitudes of the major stakeholders have been shown to be of particular significance (Fox, 1999). In essence, the level of corruption can determine the efficiency and effectiveness of construction operations in all aspects, but especially in managing quality of construction output. To counter this negative influence, the construction professions have a major part to play in establishing and upholding ethical patterns of behaviour. The aim of this research is to explore the major factors and forces affecting the decision of construction professionals in facing ethical dilemmas and study the ethical decision-making steps they adopt. The research study began with a literature review, and was followed up through empirical data using case studies. A set of Hong Kong cases, which involved corruption in the HK construction industry, were substantially reviewed and significant cases during 1997 to 2001 were selected for study. The major source of the Cases was the 'Reason of Sentence' from The District Court, The Government of Hong Kong Special Administration, supplemented with the press release of the Independent Commission Against Corruption (ICAC), Hong Kong. In this paper we present our initial findings about what kind of forces and factors drive professionals to betray the road of ethics and professionalism. Our findings tentatively evaluate the Ethics-Plus model for use by practitioners to help them in making ethical decisions.

Keywords

Professional ethics, Hong Kong construction industry, quality management and decision-making models

1. Introduction

According to the ICAC, the numbers of corruption cases in the Hong Kong (HK) construction industry has increased significantly in recent years, clearly pointing to the existence of ethical problems as one of

the major factors contributing to the scene. Thus, public concern on professional ethics and quality of work has been aroused. In the Report of the Construction Industry Review Committee (HK CIRC, 2001) the authors expressed that *'we need to nurture a quality construction workforce... fostering an ethical culture ... it is crucial to inculcate an ethical culture in the construction industry in order to eradicate corruption and dishonest acts.'* In order to ensure healthy growth of an organization, ethical issues seem to be critical to organization strategies.

This paper presents the situation with respect to corruption in the HK construction industry. The study seeks to evaluate the ethical models which construction professionals use in making their normal everyday decisions. Usually, in use these are implicit, rather than explicit. However, the Hong Kong Ethics Development Centre (HKEDC) have developed an explicit model which is intended to serve as a guideline for professionals, and it can therefore be assessed in terms of its effectiveness. Two target corruption cases in the HK construction industry were analyzed by documentation analysis, followed up by interviews with experts. The ETHICS-PLUS model (HKEDC, 1996) was adopted to discuss and investigate the ethical behavior of construction professionals in the quality management. Through the case analyses, the decision-making behavior of construction professionals in facing ethical dilemma could be identified.

2. Quality vs. Ethics

Supervision and inspection on construction sites are not usually systematic. There is significant fragmentation between stakeholders, processes and phases of the work. For example, Atkinson (1995) described that designing and building are usually separate activities; works are split between professions; with much work on site subcontracted; construction workers move from site to site, changing employers from one job to the next, etc. Due to the unique characteristics of the construction industry, quality management through out the process is the most significant factor to ensure the smooth and success of the running of the project. For building, 'quality' was defined as 'the totality of the attributes of a building which enables it to satisfy needs, including the way in which individual attributes are related, balanced and integrated in the whole building and its surroundings. Peterson (1995) argued that ethics could help nurture a quality culture, where employees are encouraged to think, speak up and improve key business processes.

Ethics (doing right things) and quality (doing things right) represent complementary dimensions – the soft and hard sides – of management. Further, both are a philosophy as well as a process, each seeking to optimize organizational behavior by clarifying the purpose and nature of work. Ethics and quality, thus, are integral to management (Bowman & Wittmer, 2000).

3. Ethical Decision-Making Models

'Ethics' and 'moral philosophy' raise questions concerning what we ought to do especially when the issue is not purely a matter of self-interest, but of right and wrong. A reasonable analysis of the moral situation and a considered application of moral values and principles would help to shape the picture when making decisions (Field, 2002).

Any "Decision Making Model" is a kind of decision analysis, which suggests a thinking process for use in handling ethical dilemmas and in assessing a decision among several courses of action in a structured and systematic way. It is a step-by-step procedure enabling us to break down a decision into its components and lay them out in an orderly way. The procedure enables us to clarify our values to make the best possible decision in a given situation and among all possible outcomes. In many situations, we

may not be even aware of the values, which we use in perceiving the world, or in making decisions generally. Attention can then be drawn to our values through the use of a structured model or procedure.

Through the era, there are vast numbers of decision-making models made by different authors based on different ethical concepts. In this research study we chose the Hong Kong Ethics Development Center's Ethics-Plus model (HKEDC, 1996) for use with our case studies because of its local representativeness. The Ethics-Plus model was developed by the HKEDC and is designed specifically for Hong Kong. However, it has not been developed in a vacuum. Its pedigree includes well-established ethical principles, although these are not elaborated here. It was considered that the model, which is tailor made for the Hong Kong people, would be worth further study.

4. Ethics-Plus model

According to Field (2002), the Ethics-plus model can be classified as a mix of the deontological and teleological theory. The first part of the model matches the deontological theory, which guides the decision maker to seek ethical means in arriving the decision, while the latter part of the model prompts the decision maker to consider also taking the consequences into account. The six major steps of ETHICS process are:

- Step 1: **E**stablish the relevant facts and identify the ethical issues involved
- Step 2: **T**ake stock of all stakeholders or parties involved
- Step 3: **H**ave an objective assessment of each stakeholder's position
- Step 4: **I**dentify viable alternatives and their effects on the stakeholders
- Step 5: **C**ompare and evaluate the likely consequences of each alternative with reference to the standards expected (**PLUS** factors below)
- Step 6: **S**elect the most appropriate course of action

The **PLUS** standards- four key factors to consider:

- i) **P**rofessional/ trade-related/ company code of conduct
- ii) **L**egal requirements; e.g. are there any breaches of the laws such as the Prevention of Bribery Ordinance, Theft Ordinance, Criminal Procedure Ordinance, etc.?
- iii) **U**ncompromising self-values; e.g. honesty, fairness, trustworthiness, etc.
- iv) **S**unshine test; i.e. whether the issue can be discussed openly and the decision disclosed without misgivings.

5. Case Studies

A series of corruption cases in the HK construction industry were substantially reviewed and significant cases during 1997 to 2001 were selected from news cutting, press release of ICAC and District Court. To ensure a sufficient review, conference papers, other related publications and Internet information on ethics were also sought.

Base on the availability of information, two cases were extracted for in-depth studies. These two cases were involved in sub-standard piling and shared similar characteristics for easy comparison. The locations of each construction site were (1) Tung Chung Station Development Package II Site 4 and (2) Hong Kong Station Development Northern Site Project. In the following, the background information of each case is introduced:

5.1 Tung Chung Station Development Package II Site 4

Subject 1 was the Project Manager and the most senior official of the foundation sub-contractor on site. He was responsible for overseeing the work done on site and communicated with the Resident Engineer of the structural consultant on site. Subject 1 passed the instructions from senior management to his subordinates that piles were to be constructed to rock head level only. This instruction was neither in line with the approved plans nor with the Residential Engineers' approval. As a result, different forms of subterfuge were agreed upon and then implemented to achieve this end.

5.2 Hong Kong Station Development Northern Site Project

Subject 2, the Project Manager of a foundation sub-contracting company, participated in the conspiracy to build bored piles shorter than the prescribed length and defraud the developer and contractors that the bored piles were constructed in accordance with the contract requirement. Subject 2, not only knew, approved and directed what was going on but actually played an active role to cover the matter up as far as possible from the consultant engineers.

Table 1: Analysis of the Decision-Making Process of the Subjects through the Ethics-Plus Model

	Subject 1 of the Tung Chung Station Case	Subject 2 of the Hong Kong Station Case
<u>Step 1</u> Establish	It is the upper management direction to expedite the works. I am expected to cooperate or I may lose my job. It is illegal and it is also unethical as it may affect the public safety.	It is a norm to receive money from the sub-contractor.
<u>Step 2</u> Take	The employer My family Myself	The employer Myself
<u>Step 3</u> Have	Instruction from my employer. I should secure my job	I can receive tentative benefits
<u>Step 4</u> Identify	Client who pay for the project return with sub-standard work The public's safety may be endangered I will ruin my career, lose a stable and productive employment My family will suffer	Client who pay for the project return with sub-standard work The public's safety may be endangered I will ruin my career, lose a stable and productive employment I betray my professionalism
<u>Step 5</u> Compare	It is wrong according to the professional CoP It is a breach of law Self-values were compromised for job security The issue may not be able to discuss openly except with the crew of operatives.	It is wrong according to the professional CoP It is a breach of law. Self-values were compromised for job security The issue may not be able to discuss openly except with the crew of operatives.
<u>Steps 6</u> Select	For the job security, I choose to compromise my honesty and my heart towards the unethical act.	To earn quick money, I choose to compromise my honesty towards the unethical act.

6. Reviewing the Cases through the Ethics-Plus Decision Making Model

After implementation of the cases into the 'Ethics-Plus Decision making models' it can be observed that the subjects did not think exactly the same as the procedures suggested. Some considerations were omitted and some were not considered as detail as suggested. Analysis of the Decision-Making Process of the Subjects through the Ethics-Plus Model is shown in the Table 1.

According to the model, the two subjects did consider the background information of the problem prior to make their decision. They each understood their role in the case. They also had evaluated the pros and cons concerning either to participate or not. However, they failed to define the problem thoroughly and consider the problem from alternative viewpoints. Their decisions were largely based on their personal interest. They failed to consider the long-term consequences and the effect of their action to other stakeholders. They had a wrong expectation that they wouldn't be caught. Another observation is that they seldom consulted the others about their problem in the process of decision-making. They, in return put their life-long career, professional and reputation at risk for a short-term profit.

In attempting to evaluate the use of the ethical decision-making model, the result from this paper was limited by the sources of information. In making ethical decisions, construction practitioners would not normally be able to speak to subjects who have been found guilty of corrupt practice. Like most of us, we obtain court decisions through accounts written or presented in the mass media. The public hearing of such cases in court proceedings is not only for justice to be done, it is also to be seen to be done. There is an important element of public education in the process, so that the errors of the few may be valuable lessons for the many. In using the court documents to analyze the decision-making process, we have taken the view that the motives of convicted defendants should be apparent through the public records. After all, they have been convicted on the basis of judgments being based on the evidence being of 'beyond reasonable doubt'. The sources collected and used were mainly written and recorded by a third party, but not the subject himself. However, the motives of the subjects are often not explicit. Therefore, the reasons behind each case cannot be fully reviewed for the analysis. To gather more data about motives, interviews with the subjects are recommended for further study.

7. Conclusions

The characteristics of ethical decision-making by construction professionals in facing ethical dilemma have been investigated in the research. The cases were not uncommon in Hong Kong and these are faced daily by construction practitioners. To ensure the short-term profit margin for their project, some construction practitioners would cut corners by seeking quicker and cheaper ways to complete the works, in which the public safety and the contract agreement were compromised. It was discovered that the subjects in the cases did not receive any financial reward, which is over or above their normal salaries. They committed the unethical acts just for the job security and under the influence of their supervisors or employers.

The construction industry is a unique industry, which usually involve separate activities and works, which are split between professions, with a lot of sub-contracting and construction workers being moved from site to site. No doubt that the ethical values in use were developed through one's experience and growing environment, which has stemmed deeply in each mind, which is hard to be altered or eradicated. Arising from this, there is an argument in support of a tailor made decision-making model, which should be constructed to suit the practice of the construction industry. In this paper, however, we do not follow this path, but have instead applied a generic model to the construction industry. In attempting to apply this model to two actual cases in the Hong Kong construction industry, the Ethics-Plus model has been successful in highlighting those steps where errors of ethical judgment have been made. At every step, evidence can be found to match the model, and thus this may help practitioners to be more aware of the

consequences of their decisions in their daily work. On the basis of this limited application, we can conclude that the Ethics-Plus model indeed gives good guidance to the general public. We aim the cases studies and the analysis of case studies through the Ethics-Plus model would give readers a new insight on professional ethics and a possible way in making decision when facing ethical dilemmas.

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