Barriers to unethical and corrupt practices avoidance in the construction industry

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Abstract

Purpose – Complying with the code of conduct by professionals in the construction industry worldwide has become a significant issue over the years. This has led to projects’ failure, leading to losses to both the client and contractors. The study’s objective is to identify the challenges of construction professionals in complying with their code of conduct and preventing corrupt practices.

Design/methodology/approach – Quantitative approach was used to collect empirical data by sending questionnaires to 56 construction professionals in South Africa. Data gathered were analysed through Excel statistical tool. Mean values were calculated for the quantitative data, whilst thematic content analyses were used to generate frequencies and percentages for qualitative data.

Findings – The findings indicate that construction professionals experience many unethical issues in their work duties such as inflated tender prices, overpricing the rates, tender-based kickbacks, bribes for projects, unethical methods of project execution, use of lower grade materials than specified, discrimination, among others. However, issues such as greediness, acceptance of corruption as usual practice, lack of knowledge about the code of conduct, the only way to get contracts, part of the process, and peer pressure create a challenge in complying with the code of conduct and preventing corrupt practices among construction professionals.

Practical implications – Construction professionals face many unethical and corrupt practices in their project management and execution, which they cannot overcome due to many factors. Therefore, there is the need to sensitize the professionals in the construction industry regarding their code of conduct as well as the danger associated with engaging in corrupt practices in their work and their implication on project performance.

Originality/value – The findings give an insight into the critical factors curtailing the construction professional’s ability to comply with their code of conduct and be corrupt-free in their line of duty. Thus, professional associations can use the findings in guiding their members.

Keywords Barriers, Behaviour, Corruption, Ethics, Code of conduct, Construction industry

Paper type Research paper

1. Introduction

The construction industry has been recognised as one of the most unethical sectors globally (Owusu, 2017). The most prevalent corruption forms include awarding contracts for political gain, nepotism and conflicts of interest, and interference in the tender award process (Owusu, 2017). In addition, the construction industry plays a significant role in a country’s economy, regardless of the degree of development of the economy (Tsiotras and Zantanidis, 2010). The building sector in South Africa is a significant employer of the country’s working population as it employed about 609,000 people in the formal sector at the end of 2018, with engineering contributing 369,000 to the majority of employment and construction, contributing...
Corruption is most prevalent during the bid assessment and tendering stages (Bowen et al., 2012). Facilitating factors included the lack of coherence in contract awards and the industry’s operational environment (Owusu, 2017). Reporting hurdles include a shortage of legitimacy in the criminal justice system and a misconception about measures that will not protect whistle-blowers sufficiently (Owusu, 2017).

In general, corruption in society is not well understood until these pertinent issues are mentioned (Adekunle, 2019). Recognising corruption will facilitate the integration of ethical topics in tertiary training and education curriculum content, special development workshops given by trade associations and industry leaders, strengthening procurement processes for construction, and more forensic detection systems (Bowen et al., 2012). Construction practitioners employ their abilities and judgement and are morally responsible to the client and bound by ethical principles. At the same time, contractors are more willing to make a profit (Abdul-Rahman, 2010). Each discipline has its priorities, often differing and conflicting in nature, with their variance causing the ethical beliefs and expectations to contradict (Abdul-Rahman, 2010).

In the last couple of years, corruption has impacted established economies like the United States or the United Kingdom and developing economies such as India, Nigeria, and South Africa (Shan, 2019). Corruption is the exploitation of public resources or public authority. It consists of deceptive or illegal actions (Corruption Watch, 2020), which undermine our commitment to operate in the best interests of the public sector (Independent Broad-based Anti-corruption Commission, 2020). Corruption is among the most significant instabilities that inhibit economic development in developing countries (Manyaka and Nkuna, 2014). In addition, the Organisation for Economic Co-operation and Development (2016) suggests that roughly US$ 150 million is lost annually in Africa alone through inept and corrupt operations. The construction sector is particularly vulnerable to corruption, and the consequences remain severe (Bowen et al., 2012). Corruption can be seen as an occurring problem in the industry, with conflicts of interest and bid manipulation the most reported corrupt practices. It is considered that local officials and contractors are among the groups most involved in these illegal practices (Bowen et al., 2012). According to Chan and Owusu (2017), the most-reported corruption forms in the literature are bribery, fraud, conspiracy, embezzlement, nepotism, and extortion. Unethical practices identified in the South African construction industry include conflict of interest, collusion, fraud, bribery and corruption (Shankantu, 2006).

Despite the abundance of goods and natural resources that characterise South Africa and the remarkable progress in industry and manufacturing, it is still on the list of developing countries (Bakari, 2017). Corrupt practices have been a key and unrelenting stumbling block to construction industries trying to achieve sustainable social and financial growth. It has become a general debate among citizens because of its prevalence within various sectors, making the economy crawl (Adekunle, 2019). The source of an organisation’s ethical failure can sometimes be attributable to its corporate culture and leadership’s inability to encourage ethical standards (Mason, 2008). Although professional morality reflects principles and values, companies’ ethical behaviour is greatly affected by their employer’s value systems. It can often contribute to a subjective sense of morality being buried among organisations that do not comply with ethical conduct (Mason, 2008). Professionals in the construction industry are taught extensively about ethical conduct to be responsible professionals by avoiding unethical practices in their day-to-day business operations. Despite ethical knowledge instilled in construction professionals, corruption is still prevalent in the construction industry. This study intends to understand and identify the professional community’s challenges in complying with ethical regulations in the South African construction industry.
1.1 Work ethics
Ethics is hard to classify without taking into account a greater morality. Ethics may be considered a more specific subset of morality, perhaps expressed in a collection of agreed-upon rules for a particular occupation but still related to a community’s or culture’s moral standards (Mohamad et al., 2015). According to McCarthy (2012), thinking about ethics as a “you’ll know it when you see it” and/or “you either have them, or you do not” seems too simplistic. Perhaps the most basic definition of ethical behaviour is “doing the responsible thing when no one is observing” (McCarthy, 2012). Guttmann (2006) suggests that ethics aim to develop cognitive skills that will allow one to transcend volatile desires and impulses by choosing the universal respectable over the immoral. It also involves cultivating oneself to a level where the judgement to be honest or decent will come from one’s heart and soul and not be dictated by some external authority. Ethics is described as a collection of moral beliefs and doctrines that serve as the foundation for a person’s, organisation, or profession’s code of conduct (Mohamad et al., 2015). Being ethical entails ensuring that certain policies and guidelines are followed systematically in all business circumstances daily (Mohamad et al., 2015). Ethics can be categorised as early ethics and contemporary ethics. Early ethics is doing the right thing, according to early ethical philosophy, was founded on a belief in Natural Law. Philosophers believed in a common guiding principle that allows individuals to recognise right from wrong on a fundamental level. Despite minor differences in approach, the essence of natural law could lie in the continued insistence that there are absolute moral concepts based on the world’s existence and can be established by reason. Natural law advocates believed that impending truths persisted and ruled human existence and that humanity could distinguish between right and wrong, advocating that immoral values were illegal (McCarthy, 2012). Contemporary ethics is modern ethics that will let you realise how ethics is handled in the construction trade. Virtue ethics, for example, is defined as “one of three main aspects to normative ethics” (Oakley and Cocking, 2001) and emphasises benevolence. Virtue Ethics examines the essence of a professional position and offers a dynamic tactic to ethics that considers the individual characteristics of an ethical problem. It recognises the unique aspects of each discipline but maintains that a professional concept of ethics cannot be segregated from a culture’s general moral values (McCarthy, 2012).

1.2 Ethical issues in the construction sector
The construction trade has been identified as one of the more immoral segments in the commercial environment (Owusu, 2017). The most prevalent forms of corruption involve conferring contracts for constitutional benefit, prejudice, conflicts of interest, and meddling in the tender award process (Owusu, 2017). Ethics has recently become a source of debate, and there is always the issue of what position ethics can take in any industry (McCarthy, 2012). Generally, the construction trade deteriorates from a negative reputation attributable to a profoundly ensnared liaison between ethics and corporations. The construction process entails establishing, developing, scheduling, arranging, and integrating requirements of the project, such as time, resources, technologies, and procedures, in the most effective way possible to finish development work promptly, within budget, and according to the project owner’s quality and performance standards (Ehsan et al., 2009). Building codes and other laws are supplemented by codes of ethics, formulated primarily for technical and practical use. These ethical considerations were made based on man’s natural morality and their practical consequences in applied ethics (Ehsan et al., 2009).

The most common contractors’ unethical conduct in Malaysia has also been identified as cover pricing, bid cutting, poor documentation, late and short payments, and lack of safety ethics by subcontractors. Others are treating contractors unfairly in tender account negotiations, competitors overstating their capacity and qualifications to secure work, competitors’ falsification of experience and qualifications and bureaucratic, government

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policy (Adnan et al., 2012). In recent times, construction professionals’ unethical practices have ignited general public discussions, thus generating demand for acceptable ethical and professional behaviour in the construction industry. Some of the ethical challenges identified in studies include tendering malpractices, poor work quality, poor safety practices, payment challenges, corruption and lack of public accountability on project expenditure (Pearl et al., 2007; Fan and Fox, 2005). The unethical practices in the construction sector can also be attributable to bribery and corruption, and conflict of interest related issues. According to Transparency International (2005) corruption in the construction industry is higher than in any other sector and could add a 25% cost to public contracts, leading to waste of public resources, missing development opportunities and an unsuitable environment for sustainable business.

Many reasons have been assigned to construction professionals’ unethical practices, including insufficient legislation enforcement, keen competition, economic recession, inadequate ethical education from institutions, cultural variations, and construction work complexities Adnan et al. (2012). Vee and Skitmore (2003) acknowledge that construction professionals are in the positions that demand advanced mastering to promote, ensure, or safeguard clients’ well-being. However, they further categorised unethical practices as unfair conduct, conflict of interest, conspiracy, fraud and bribery. Unfair conduct may happen in business competition, contract arrangements, staff promotion, demotion, and business operations. According to (Vee and Skitmore, 2003), the most common types of unethical conduct among construction professionals are:

1. Covering up building flaws and appropriating other person’s efforts.
2. Misrepresenting skills and technical credentials on resumes and submissions for contracts.
3. Clients are being charged for work that has not been completed, costs that have not been incurred, or costs that have been exaggerated.
4. Some professions deceive clients about the progress of a project.
5. In project management, deceiving clients is a common occurrence.
6. Participation in a conflict of interest.

Other unethical and corrupt practices identified in procurement processes in the construction industry are bribery, embezzlement, fraud and extortion, bid-rigging, collusion by bidders, fraudulent bids, fraud in contract performance, and fraud in an audit inquiry, product substitution, defective pricing or parts, falsification of costs, bribery and acceptance of gratuities, misuse of government funds, travel fraud and theft (Shakantu, 2006). A study by Mukumbwa and Muya (2013) suggest a prevalence of unethical practices in all facet of projects in the Zambia construction industry including collusion between contractors and client representatives; collusion between contractors and consultants; certifying poor quality works; false certification of works; bribery and corruption; failure to enforce specifications and standards; unreasonable variations during implementation; lack of integrity; fabrication of test results at the expense of quality; consultants failure to appropriately advise clients; dishonesty and unfair conduct; deliberate delay in payments to induce corruption and bribes; recruitment of unqualified and inexperienced consultants; ambiguous variations and fluctuations; negligence of duty; covering up poor workmanship; unfair reward for work done; concealing errors; environmental requirements violations; adversarial relationships between consultants and contractors; constant change of specifications; and certification of work not done. They, therefore, recommend measures such as pursuing indictments and convictions of individuals established to be guilty by courts of law and simplifying tender
procedures as strategies for combating unethical practices. Other unethical practices identified in the construction industry in countries such as the USA, South Africa, Australia, Pakistan, Malaysia, Ghana and Nigeria are political interference, bribery and corruption, abuse of professionals’ copyright, over-designing, overstating project scope, abuse of single sourcing for consultants or contractors appointment, conflict of interest, exaggeration of experience and academic qualifications of the technical staff of bidders, leaking of project estimates, bias in tender evaluation, the inclusion of unreasonable provisional sums in tenders due to inadequate designs, lack of confidentiality, collusion among contractors and uncompetitive tendering (Bowen et al., 2007; Shakantu, 2006; Vee and Skitmore, 2003; Ehsan et al., 2009; Abdul-Rahman, 2010; Osei-Tutu et al., 2009; Oyewobi et al., 2011). Thus Fewings (2009) argued that the tendency to ignore best ethical practices in construction is high because of the fragmented nature of the industry.

1.3 Corruption in the construction sector

The fractured nature of the industry fosters an environment of corruption with distinct stages and distinct participants. Systemic flaws that can promote misconduct are generated by the building industry’s design and the way public service facilities are run. It is resource-intensive, implying that it is explicitly built for installation and operates the network, needing government oversight. Both characteristics make the operation vulnerable to bribery (Collier and Hoefler, 2011). With all these circumstances susceptible to corruption by unethical people, construction companies bribe to secure contracts, raise profit margins on such agreements, and decrease the cost of production (Kenny, 2007). The construction industry has several attributes that make it susceptible to corrupt practices: competition; a significant number of small-scale subcontractors; various licenses and permits; the complexity of several projects, making rates hard to evaluate; the potential for delays and overruns; and the fact that the standard of work may be concealed (Sohail and Cavill, 2006). Corruption creates a plethora of payoff possibilities, thus posing a minimal risk of recidivism and retribution. This is a significant issue in the construction industry because delays often harm disruptions, and adjustments result in higher construction costs (Sohail and Cavill, 2006). As a result, instances of corruption may be overshadowed by other cost overruns, leaving corruption undiscovered by the company. In many nations, corruption is a ubiquitous blight on the building industry. South Africa is no different.

According to a study conducted by Bowen et al. (2012), corruption is pervasive. Political leaders are suspected of actively participating in corruption, notably soliciting bribes and manipulating tenders. Other elements in the construction supply chain, such as experienced professionals, are not immune to criticism (Bowen et al., 2012). Selection and tender abnormalities, smaller degree construction contracts, and closeout inconsistencies are the most common forms of corruption. Skills shortages in the sector, a perceived lack of countermeasures and consequences, and weak ethical standards are all factors that contribute to corruption. Procedural roadblocks, fear of persecution, and personal attitudes operate as roadblocks in the fight against corruption. At the same time, verifying the three main pillars of the Cressey’ Fraud Triangle’ theory of corruption (opportunities, persuasion, and self-justification) is a difficult task (Bowen et al., 2012).

Because of their integrity and moral compass, corruption inevitably arises from decisions made by individuals. Several disciplines explain why certain people are more inclined to corruption than others, with the most common reasons involving rewards, opportunities, and expectations (Gorsira, 2018). A recent study showed that all these variables were, in effect, linked to the risk of corruption. The study found that public representatives and corporate employees who derived more significant benefits from corruption, such as financial rewards, enthusiasm, and satisfaction, and anticipated lower costs of corruption, i.e. lower risk of detection and less severe punishment, were much more inclined to involve in corruption.
Likewise, it was found that workers who viewed more opportunities to engage in corruption and fewer opportunities to withdraw from corruption were more vulnerable to it (Gorsira, 2018). Employees who reported lower personal standards, i.e. who felt less obligated to abstain from corruption, and who reported lower social standards, i.e. those who believed that their close peers endorsed and participated in corruption, often reported that they were more inclined to corruption (Gorsira, 2018). Corruption is also on the rise amid attempts to combat corruption, and one of the primary challenges is ensuring that corruption and fraud mitigation are strengthened as criminals face regulations (Shakantu and Chiocha, 2009). Recent studies indicate that fraud is prevalent in the construction and engineering industries (Osei-Tutu et al., 2009).

1.4 Effects of unethical practices on the construction industry

Fraud and corruption hurt the economy, the well-being of the sector, and its capacity to address growth imperatives. Corruption changes the structure of organisational performance in the sense of administrative quality, according to Shakantu and Chiocha (2009); it compromises management’s efficacy and the shift of resources from government policy to individual interests. This poses severe management issues. Corruption is a danger to construction and engineering firms and entities that finance, guarantee, or insure construction projects. It results in unnecessary tender expenditures, tendering confusion, increased project costs, economic harm, extortion, criminal charges, penalties, blacklisting, and reputational risk (Shan, 2019). Corruption delays economic development and growth by diverting money from social and economic development programs into a few investments. It disincentivises lawful economic activity and decreases the accessible state resources to provide public goods and services, particularly to the poor (Shakantu and Chiocha, 2009).

According to Hamzah (2020), unethical practices could occur throughout the project phases resulting in the project being declared unsuitable, over-complex and overpriced or delayed after completion. Unethical practices significantly impact construction firms, including wasted expenses on tender, tendering uncertainty, increased project costs, economic damage, blackmail, criminal prosecutions, fines, blacklisting, and reputational risk. Again some projects have been regarded as unfit due to the unethical behaviours exhibited by some project stakeholders (Adnan et al., 2012). Unethical practices by construction industry parties have negatively affected project quality and increased accidents at project sites. For instance, unlike the other industries’ accidents, which have declined by 35% over the last 8 years, accidents in the construction industry increased by 5.6%, resulting in a staggering 60% increase in fatality (Rahman et al., 2007). It has been identified that poor project management, inspection programmes, safety policies and lack of safety education programmes, and unsafe working methods are due to unethical practices among the project team. There has been evidence that the construction industry’s unethical behaviours affect the poor due to poor project deliverables unsuitable for use. Again, since government investment in infrastructure drives economic growth, mismanagement and corruption in the construction process undermine socioeconomic development and curtail sustainable growth (Rahman et al., 2007). According to Mukumbwa and Muya (2013), corrupt practices undermine managerial efficiency, increase project costs, encourage poor quality works, distort prices in the market, curb economic growth and sustainable development, undermine legal and judicial systems, delay construction process, cause delays in obtaining permits from public agencies, increase the number of uncompleted projects and deter investments. Likewise, corruption and unethical behaviours lead to misallocation of resources in the economy, reduce the pace of economic activities and negatively affect the trust level among individuals and institutions, endangering political stability and ultimately affecting national infrastructure development (Dion, 2010).
2. Research methodology

2.1 Approach

The approach chosen was the quantitative method approach using both open-ended and closed-ended questionnaires. This approach was the best suited for carrying out the study because data and facts surrounding ethics and corruption had to be obtained. It seeks to enumerate the question in addition to realising its occurrence through the recognition of findings that can be proposed to a broader populace (Blumberg et al., 2008). Creswell (2014) suggests that entities that utilise quantitative research evaluate the extent and seek statistical data that can be analysed objectively. Therefore using a quantitative approach also allows the researcher to access many participants with divergent perspectives to contribute to the research problem. Again quantitative approach used allowed the researcher to get rich data that could be objectively analysed, as suggested by Creswell. In trying to identify the participation level of end-users in housing construction, Amoah et al. (2022) used the quantitative approach, whilst Adnan et al. (2012) used the same method to identify ethical issues among contractors. This study aims to identify the hindrances to ethical practices in the construction industry; thus, using a quantitative research approach is justified.

2.2 Target population and sampling method

The targeted population was construction professionals in the South African construction industry, such as quantity surveyors, architects, project managers, and others, as shown in Table 1. Convenience sampling was used as participants were selected based on availability and willingness to participate in the study. According to Rowley (2014), convenience sampling is more appropriate for the population in different locations. Since the study targeted construction professionals with diverse backgrounds located in many provinces in the country, convenience sampling was deemed more appropriate. Fifty-six (56) responses were received from 87 questionnaires, representing a 64% response rate. According to Tennant (2013), the minimum sample of 30 is acceptable for statistical analysis; thus, the sample size of 56 used is deemed sufficient for statistical inference. According to Odeyinka et al. (2008), a response rate of 20–30% is acceptable for most questionnaires distributed in the construction industry.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>22</td>
<td>40%</td>
</tr>
<tr>
<td>Female</td>
<td>34</td>
<td>60%</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100%</td>
</tr>
<tr>
<td>Educational background</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>14</td>
<td>25%</td>
</tr>
<tr>
<td>Tertiary</td>
<td>42</td>
<td>75%</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100%</td>
</tr>
<tr>
<td>Work experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1–5 years</td>
<td>15</td>
<td>27%</td>
</tr>
<tr>
<td>6–10 years</td>
<td>11</td>
<td>20%</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>30</td>
<td>54%</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100%</td>
</tr>
<tr>
<td>Professional background</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architects</td>
<td>6</td>
<td>11%</td>
</tr>
<tr>
<td>Construction Managers</td>
<td>5</td>
<td>9%</td>
</tr>
<tr>
<td>Project Managers</td>
<td>12</td>
<td>21%</td>
</tr>
<tr>
<td>Financial Managers</td>
<td>5</td>
<td>9%</td>
</tr>
<tr>
<td>Logistics and stock managers</td>
<td>4</td>
<td>7%</td>
</tr>
<tr>
<td>Sales Representatives</td>
<td>7</td>
<td>13%</td>
</tr>
<tr>
<td>Construction administrator</td>
<td>8</td>
<td>14%</td>
</tr>
<tr>
<td>Quantity surveyors</td>
<td>9</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 1. Respondents’ profile

Barriers to unethical practices avoidance
2.3 Data collection method
Survey questionnaires made up of closed-ended and open-ended were sent to the participants via a link to the Survey Monkey platform for the respondents to access and fill in the questionnaire. The closed-ended questions were a set of ethical factors that respondents had to tick regarding their experiences on a 4 Likert scale, made up of “1-have not experienced”, “2-somewhat experienced”, “3-experienced” and “4-experienced more often”. According to Bouranta et al. (2009), Likert scale questions make it relatively easy for the respondents to read the whole list of scale descriptors, thus reducing confusion and increasing the response rate. The open-ended question was about the respondents expressing their opinions regarding their challenges in complying with the ethical code of conduct. The open-ended question allowed the researchers to get in-depth views of the respondents without any restrictions. According to Creswell (2014), using open-ended and closed-ended assists in having both qualitative and quantitative data, thus enriching the data received.

2.4 Methods of data analysis
Quantitative data (closed-ended questions) were analysed using descriptive statistics by coding the responses from the respondents. Thereafter, the responses were summed to arrive at the total responses for each question category. The mean value was calculated for each variable as indicated in Table 2. Mean values from 2.5 to 3.5 were considered very prevalent and significant. Raja et al. (2018) also adopted the same method to rank the sustainable design criteria for highway construction. Mahamid (2017) also adopted descriptive statistics when analysing schedule deviation for road construction projects. Again Alfakhri et al. (2017) also adopted the same analytical method for their paper. The open-ended question was analysed using content analyses where all the responses from each participant were first listed in the excel spreadsheet and thematically analysed by grouping similar responses from the participants to arrive at the main themes for the analysis. Thus Creswell (2009) suggested thematic contents analysis was followed, as indicated in Figure 1.

Frequencies and percentages were calculated for the priority arrangement of the themes enumerated. According to Blumberg et al. (2008), qualitative data is usually analysed by reading the data repeatedly and identifying common themes for analysis. Amoah et al. (2021), in their paper looking into the expectations of the social housing recipients in South Africa, adopted descriptive statistics for their analysis, where frequencies and percentages for respondents’ responses. Therefore the descriptive statistics used for data analysis in the paper are justified. The profile of the respondents is indicated in Table 2.

The profile of the respondents indicated in Table 2 show that the majority (60%) are female, 75% have tertiary education, suggesting that they are aware of the professional code of conduct in their respective professions. Again, most (74%) of the respondents have over 6 years of experience in the construction industry. This also indicates that respondents have engaged several people in their line of duty and thus understand the conduct affront to the code of conduct. Also, respondents are from different professional backgrounds, indicating that views solicited from the respondents regarding the research problem are diverse.

3. Findings
3.1 Respondent’s views on ethical issues experienced
Respondents were asked to rate their experience regarding ethical issues experienced in their line of duty. The mean values were then calculated and ranked based on their importance, as indicated in Table 2. From the analysis, the most experienced ethical issue by the respondent is overpricing the rates (mean score = 3.09, ranked 1st). The second-ranked ethical is Tender-based kickbacks, with a mean score of 2.91, whilst the 3rd ranked factor is bribes for projects (mean score = 2.88).
Also, ethical issues such as shortcut methods to execute defective works (mean score = 2.84), use of lower grade materials than specified (mean score = 2.75), and discrimination (mean score = 2.68) were ranked 4th, 5th and 6th respectively. Some of the least ranked ethical issues experienced by the respondents are bribery to obtain the tender (mean score = 2.43, ranked 11th), dishonesty about information provided on the project (mean score = 2.39, ranked 12th), and lack of integrity among partners with and mean score of 2.38, and ranked 13th. The findings show that most of the prevalent ethical issues are tender-related corruption, whilst the minor ethical issues project information-related and integrity-related among the professionals.

### 3.2 Respondents’ views on the barriers to ethical compliance

Respondents were then asked to express their opinions regarding their challenges in complying with the professional code of conduct. The findings were then grouped based on their frequencies and ranked in order of magnitude, as indicated in Table 3.

The findings indicate that in order of importance, the factors inhibiting construction professionals from being in the line of the ethical code of conduct in carrying out their duties

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**Table 2.**
Ethical experiences of the respondents

<table>
<thead>
<tr>
<th>Ethical issues</th>
<th>Have not experienced</th>
<th>Somewhat experienced</th>
<th>Experienced</th>
<th>Experienced more often</th>
<th>Mean</th>
<th>S.D</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overpricing the rates</td>
<td>3</td>
<td>16</td>
<td>78</td>
<td>76</td>
<td>3.09</td>
<td>2.67</td>
<td>1</td>
</tr>
<tr>
<td>Tender based kickbacks</td>
<td>5</td>
<td>22</td>
<td>72</td>
<td>64</td>
<td>2.91</td>
<td>2.53</td>
<td>2</td>
</tr>
<tr>
<td>Bribes for projects</td>
<td>11</td>
<td>18</td>
<td>36</td>
<td>96</td>
<td>2.88</td>
<td>2.60</td>
<td>3</td>
</tr>
<tr>
<td>Shortcut methods of installation are used to complete jobs quicker but less effectively</td>
<td>8</td>
<td>26</td>
<td>45</td>
<td>80</td>
<td>2.84</td>
<td>2.52</td>
<td>4</td>
</tr>
<tr>
<td>Use of lower grade materials than specified</td>
<td>12</td>
<td>16</td>
<td>54</td>
<td>72</td>
<td>2.75</td>
<td>2.46</td>
<td>5</td>
</tr>
<tr>
<td>Discrimination</td>
<td>14</td>
<td>22</td>
<td>30</td>
<td>84</td>
<td>2.68</td>
<td>2.44</td>
<td>6</td>
</tr>
<tr>
<td>Nepotism</td>
<td>10</td>
<td>24</td>
<td>63</td>
<td>52</td>
<td>2.66</td>
<td>2.34</td>
<td>7</td>
</tr>
<tr>
<td>Tender manipulation</td>
<td>10</td>
<td>24</td>
<td>66</td>
<td>48</td>
<td>2.64</td>
<td>2.32</td>
<td>8</td>
</tr>
<tr>
<td>Lack of integrity among competitors</td>
<td>13</td>
<td>26</td>
<td>42</td>
<td>64</td>
<td>2.59</td>
<td>2.32</td>
<td>9</td>
</tr>
<tr>
<td>Dishonesty about information provided by a person outside the company</td>
<td>14</td>
<td>28</td>
<td>45</td>
<td>52</td>
<td>2.48</td>
<td>2.23</td>
<td>10</td>
</tr>
<tr>
<td>Bribery to obtain the tender</td>
<td>12</td>
<td>32</td>
<td>60</td>
<td>32</td>
<td>2.43</td>
<td>2.10</td>
<td>11</td>
</tr>
<tr>
<td>Dishonesty about information provided on the project</td>
<td>14</td>
<td>34</td>
<td>42</td>
<td>44</td>
<td>2.39</td>
<td>2.09</td>
<td>12</td>
</tr>
<tr>
<td>Lack of integrity among partners</td>
<td>14</td>
<td>36</td>
<td>39</td>
<td>44</td>
<td>2.38</td>
<td>2.10</td>
<td>13</td>
</tr>
</tbody>
</table>
are greediness (33%, raked 1st), acceptance as normal practice (31%, ranked 2nd), lack of knowledge about code of conduct (16%, raked 3rd), the only way to get contracts (14%, raked 4th), part of the process (5%, raked 5th), and peer pressure (2%, raked 6th). Therefore, it can be concluded that the challenges faced by the construction professionals in obeying their code of conduct are issues related to individual conduct and social beliefs.

4. Discussions

4.1 The prevalent of ethical non-compliance in the South African construction industry
As indicated in Table 2, the findings show that most of the unethical practices experienced by the respondents are tender-related, such as rate overpricing, kickbacks for awarded tender, and bribing tender officials to secure projects. In South Africa, due to the government policy to enhance the participation of the previously disadvantaged citizen in mainstream economic development, the government has policies in the public tender process geared toward black citizens. This has led to the influx of emerging contractors yearning for limited government projects. As a result of the keen competition in the tendering processes, contractors and consultants often engage in unethical practices to win contracts, leading to the high prevalence rate of tender-related corrupt practices. This assertion was also observed by Owusu (2017) that the most prevalent form of corruption includes awarding contracts for political gain, nepotism and conflicts of interest, and interference in the tender award process.
by parties. Again Bowen et al. (2012) suggest that corruption is most prevalent during the project tendering stages. Also, due to the kickbacks paid to tender officials, the contract prices are often inflated to accommodate the reward monies for tender officials. Therefore, it is not surprising that these unethical practices are rampant in the South African construction industry. It has been observed that most construction professionals suffer from unfair tendering practices and over-claiming for work done and/or withholding payment for service delivery due to kickbacks/bribery arrangements in the tender process (Chan and Owusu, 2017; Pearl et al., 2007). Unethical practices might lead to overinflated construction costs, quality discrepancies, business failures due to unfair competition, a misleading reputation of the industry, and reduced employee productivity through ethical discontent (Adnan et al., 2012).

Other issues identified as prevalent unethical issues experienced by the respondents are shortcuts and ineffective installation methods used to complete jobs quicker, using lower grade materials than specified to maximise profits, discrimination in the tender process, nepotism, and tender manipulation. Many projects have failed to achieve the desired requirements due to improper materials used by contractors to execute projects. Defective deliverables and works are rampant, especially among the emerging contractors, due to unorthodox methods used by construction professionals to accomplish tasks in the South African construction industry. According to Sohail and Cavill (2006), the standard of work are often concealed through unethical means, affecting project outcome negatively. A study by Pearl et al. (2007) identified unethical issues such as collusion among stakeholders, bribery, negligence, fraud, dishonesty, and unfair practices are among the prevalent issues experienced. Furthermore, McCarthy (2012) opines that South Africa is riddled with immoral practices such as negligence, bid cutting, under-bidding, monopolistic tendering, cover pricing, frontloading, bid shopping, and payment games. Tender officials are found to have discriminated among the bidders and often engage in the “whom you know” policy to award contracts disregarding the laid down rules. Although the role of officials in a civilised society is to develop and enforce ethical, social, and commercial principles, they are generally found to lack the ability to successfully implement these laws and the knowledge to detect and punish those responsible for significant economic crimes in South Africa (Bowen et al., 2007).

Discrimination in the tender process, nepotism, and tender manipulation are also significant problems. As a result of constructional professionals looking for limited government projects, tender processes are often manipulated to favour others at the expense of others through conspiracy among contractors/professionals and tender officials. Officials may hide from the ownership of the companies tendering for the project for which the same official is involved in the adjudicating process, disregarding the conflict of interest regulations. The tender award is often manipulated to favour politically connected individuals who do not qualify to execute the work or do not deserve to win the contract. Blenkinsopp and Park (2011) suggest that corrupt behaviour has deviated from the typical functions of a public office for fiscal or positional gain, which infringes official community provision ethics due to private-interested influences. Chan and Owusu (2017) found an ethical practice including bribery facilitation fees, favours, generosity, conflicts of interest, and the utilisation of liaisons often characterises the construction industry. Poor information documentation, inadequate accountability in the eligibility requirements for bidders, poor organisational moral principles, and other variables have been linked to corrupt practices in the building sector (Le et al., 2014). Therefore (Adekunle, 2019) states that unethical practices in the construction industry have generated debate among citizens because of their prevalence, thereby making the economies of countries crawl. The findings imply that despite the ethical code of conduct instituted by the government and professional bodies to reduce unethical practices and reduce corrupt activities, the problem persists, thus rendering these
efforts ineffective. Different strategies perhaps must be sought to effectively deal with the cancer of unethical behaviours among construction professionals.

4.2 Barriers to professional code of conduct compliance in the South African construction industry

According to Table 3, the most challenging factor preventing construction professionals from following their code of conduct is individual greediness. Greediness is a human behaviour that is difficult to overcome due to its peculiar nature. People are not content with what they have; thus, they will go an extra mile to achieve or acquire materials through other means, fair or foul. As a result, the laid down rules and regulations are often flouted to achieve the result. According to Otusanya (2011), human behaviour is often difficult to detect and quantify different forms of crime. People engage in corrupt practices due to personal interest, leading to low public service efficiency and insufficient transparency in the construction sector (Nordin et al., 2013). Individual greediness has also been attributed to overinflated construction costs, quality discrepancies, business failures due to unfair competition, and a misleading reputation of the industry (Adnan et al., 2012).

Another ethical compliance challenge mentioned is that unethical behaviour is an accepted normal practice. This indicates that construction professionals do not see anything wrong with giving something to receive unmerited favour. This might have been exacerbated by the lack of government projects available for the ever-increasing contractors and consultants to tender; thus, it is normal to give the authorities something in return to secure projects. Therefore, this has increased the propensity for bribery and other unethical practices in the construction sector. It has also been reported that employees feel less obligated to refrain from corrupt activities because they believe their counterparts endorse and participate in the same activities; thus, there are no crimes committed for engaging in unethical practices (Gorsira, 2018). When unethical practices become prevalent in society, people perceive them to be normal, and therefore they become inclined to participate. According to Owusu (2017), the prevalence of corrupt activities such as conferring contracts for personal benefit, conflicts of interest, and meddling in the tender award process has made these unethical activities an acceptable norm in the construction sector. Thus, eliminating them has become a herculean task for construction stakeholders.

Lack of knowledge about the code of conduct was another challenge the respondents mentioned in preventing unethical practices in the construction sector. Many construction professionals are unregistered with professional bodies; thus, they are not bound by any code of conduct that may guide them in carrying out their duties. Others are either unaware of the regulations governing professional conduct or do not read to understand them. The institutions where these construction professionals might have acquired their professions have either not instilled a professional code of conduct in their curriculum, or students blatantly disregard what they were taught after graduating. A study by (Bowen et al., 2007) revealed that many institutions have failed to integrate ethical standards and management into their established management and business procedures, thus increasing the lack of willingness to implement ethical policies, especially in the public sector procurement and businesses. This means that organisations in the construction sector may disregard ethical conduct through their quest for projects, which may eventually become a norm for the employees.

Other barriers to ethical compliance mentioned are the only way to get contracts, part of the process, and peer pressure. These findings also indicate that the only way to gain a contract is to partake in unethical practices since it has been accepted as part of the process. This assertion makes it difficult for construction professionals to stop engaging in unethical practices since failure to do it will prevent them from getting projects. It must be noted that there is keen competition among organisations in accessing limited contracts available; thus,
one must engage in unethical practices to outwit the other competitors. These trends have caused unethical practices to be accepted to secure jobs in the construction sector. In some instances, peer pressure may also play a role in engaging in unethical practices. This is because one organisation must have used an unethical approach to get contracts, thus influencing other organisations to use the same process to secure jobs. These incidences make it challenging to fight unethical and corrupt practices in the construction sector. These findings buttress the observation made by the Department of Public Service and Administration (2003) that contractors are encountering more competition due to the lack of projects, causing workers layoffs; thus, to secure projects, many have disregarded basic ethical practices in South Africa.

There were unique observations about the findings hardly examined in the literature. The assertion that corrupt practices are an acceptable norm in the procurement process can hardly be related to the literature and thus could be seen as peculiar to South Africa. Many procurement laws are instituted to make the process genuine and fair in many countries. Therefore participants must ensure that any practices adversely to the rules are reported for redress. However, in South Africa, procurement participants do not report any practices contrary to the law to the authorities for redress since they see it as usual in the procurement process. This means tenderers may be unjustifiably treated in the procurement process, yet they do not report these but may also use other means to outwit the competitors, thus emboldening procurement officials and their collaborators to perpetuate these illegal activities further. This may imply that since these unlawful activities in the procurement systems are not reported, it would be challenging to address them using the procurement laws. Again, peer pressure as the cause of the inability of construction professionals to comply with the code of conduct is hardly identified in the literature. Activities of other professionals influencing others to partake in illegal activities contrary to the code of conduct are odd. This is because people are supposed to report unlawful activities for the perpetrators to be punished according to the law. However, this finding indicates that instead of people reporting their peers’ unlawful code of conduct, they are rather influenced to partake. These findings imply that the barriers to complying with ethical practices in the construction sector are multi-faceted and challenging to resolve due to their origin. Thus a holistic approach is needed to tackle these challenges to improve the sector’s image and project performance.

5. Conclusion
The establishment and enforcement of moral principles and regulations by both professional associations and commercial organisations and the management of public procurement authorities are critical to the progress of ethical conduct in the construction sector. This is because construction professionals’ unethical practices have devastating effects on the industry image and affect deliverables produced within the industry and the beneficiary’s communities/individuals. Even though the majority of organisations have their very own standards of conduct and professional bodies that encourage good ethics, the study found that unethical practices such as rate overpricing, tender based kickbacks, bribes for projects, shortcuts and ineffective methods to complete jobs quicker, use of lower grade materials than specified, discrimination, nepotism among others are still prevalent and preventing these immoral conduct is challenging. The main barriers to eliminating the unethical practices mentioned above are greed, acceptance as normal practice, lack of knowledge about the code of conduct, unethical practices seen as the only way to get contracts, part of the process, and peer pressure. These barriers, if not addressed, will tarnish the image of the construction sector, with the consequences of poor project delivery, services delivery protest, social vices, and pervasive demonstration in communities, among others. Therefore, all stakeholders must share a common sense of ethical and professional standards, competence, and integrity
irrespective of occupational affiliation. Severe consequences for misconduct (e.g. enforceable fines) can be identified to ensure accountability of actions within the industry. Annual mandatory education seminars can be implemented to help all professionals with continuous education because ethics can evolve and various forms that might be seen as grey areas but are unlawful. Professional bodies could issue a certificate of acknowledgement of high moral standards to persons to use in the tender application process. This may encourage professional honesty in project execution. Further research can use a larger sample or interviews to probe more detail regarding the quantitative results.

References


Mason, J. (2008), *Promoting Ethical Improvement in the Construction*, Department of Construction and Civil Engineering University of the West, Bristol.


Further reading

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