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Ethical Issues in the Indian Construction Industry: Student's Perspective

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Abstract: Moral principle is the branch of philosophy that probes scruples and the methods of thinking that guide human actions (London, 2006). Certified ethics is currently a high mug shot topic within the construction industry (Mason, 2009). “Virtuous deeds in the construction industry are a subject which rarely discussed openly, probably because for most people in construction it’s the embodiment of tossing stones in a glass house”. The most common unethical conduct verified by the contractors as well as students are shield pricing, bid cutting, poor records, late and short payments, subcontractors’ lack of safety ethics, unfair treatment of contractors in tender/final account negotiations, competitors’ overstatement of capacity and qualifications to secure work, competitors’ falsification of experience and qualifications and bureaucratic, government policy. To minimise the lapse of ethical issues in the industry, the suggested solutions are divided into short, medium and long term categories based on the project time frame. The findings provide useful information to stakeholders on how to deal with the pressing ethical issues confronting the Malaysian construction industry.

Key words: Ethics, Professional integrity, construction industry, New Education Policy-2020

Introduction:

One of the greatest lesson one can learn from ‘Shrimad Bhagavad-Gita’ is regarding ethical behaviour of individuals. Ethical behaviour of oneself is tested in every step of the life, be it personal or professional. Hence professional ethics is most important aspect in all profession all the time. There certain professions and professionals whose non ethical behaviour or attitude cost hugely to the society. Construction industry and civil engineers profession is one among them.

“Do everything you have to do, but not with greed, not with ego, not with lust, not with envy but with love, compassion, humility and devotion” Which means everything need not necessarily done with profit motive. You need not be corrupt to become wealthy, egoistic behaviour never portray good status of any individual, any work done without compassion doesn't result beneficial to anyone and any work done with devotion and humility always gives excellent and satisfactory results. Greed, lust and corruption are the most common unethical practices present in any profession, construction industry is not an exception to it. Hence in this paper an attempt is made to observe the response of students of Civil Engineering branch who will be the major stake holders of construction industry.

Construction industry is observed one such industry which more prone to unethical practice and as result we observe less transparency in the industry. Many literatures and audio as well as visual media are focusing on such incidents where unethical practices like corruption, greed, lust can be observed.

The effects of unethical practices have lasting impact detrimental to construction and engineering companies such as wasted tender expenses, tendering uncertainty, increased project costs, economic damage, blackmail, criminal prosecutions, fines, blacklisting and reputational risk. The issue of professional ethics has sparked enthusiastic concern and pragmatic discussion among the general public and there is growing demand by the current literature for good ethical practices and professional behavior in the construction industry. In the face of its size and universality, the construction industry is often cited as plagued with graft and malpractices. Common issues highlighted 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. The scenario in the Malaysian construction industry is no exception, where graft and malpractices are numerous reported in the media and regarded as synonymous with construction players. Ethical issues in the construction industry not only concern bribery or corruption but also conflict of interest and collusive tendering. Increase in unethical behaviour will see a consequential decline in the quality of project performance as evidenced by statistics from the construction sites.

With the increase in unethical issues in many professions Indian education system has come-out with New Education Policy-2020 which focuses more on induction and continual stress on professional ethics from primary education to highest level of education. Major intention of bringing Ethics in education is to produce affianced, fruitful and causative citizens for building an impartial, complete and plural society as defined by our Constitution.

Literature review:

Following is a brief literature review which states the importance of professional ethics and predominant unethical practices existing worldwide in the construction industry.

Vee and Skitmore (2003) opined that, Ethics generally encompass system of moral principles- by which human actions and proposals may be judged worthy or immoral, or being right or wrong-, the rules of manner recognized in respect of a particular category of human actions, and Moral principles as of an individual. Behavior that is right in one culture may be considered wrong in another. Even within the same culture the interpretations may be ambiguous and even contradictory.

Professional is a person who has attained a high degree of professional competence in a particular activity. The word professional denotes a person who is highly educated, enjoys work autonomy, earns a comfortable salary, and engages in creative and intellectually challenging work (Ogachi, 2011).

Ray et al. (1999) specified that the basic concern of ethics is the meaning and justification of statements about the rightness and wrongness of actions in particular intent.

There is an agreement and a growing assent inside and outside the construction industry that corruption and other unethical practices are endemic in the construction industry (Ameh and Odusami, 2010).

The highly competitive business world has created massive pressure on the project managers to achieve success. The pressure is derived from survival and profit building in business organizations which leads and sometimes compels the project managers to keep track of unethical practices (Mishra and Mittal, 2011).

Ethical behavior in the construction industry is a subject rarely discussed openly, probably because for most people in construction it's the epitome of throwing stones in a glass house (Miller, 2011).

Ethical violations in construction are never on the front page of the newspaper, but they happen every day. In many cases, they cause real-world problems for owners as well as many good companies that refuse to participate in the types of unethical preconstruction procurement activities of their potential clients and general contractors (Miller, 2011).

The conclusion of this brief literature review is that professional ethics is most important for construction industry. Absence of ethical behaviour leads to disastrous implication on society and humanity. Hence it increases the responsibility of education system to reduce such dangers occurring to society due to moral hazards. Hence the present study focuses on Civil Engineering student's perception about the same.

Research Methodology:

The objective of this study is to investigate the current status and practices of ethics in the Malaysian construction industry. Self-administered questionnaires were sent to obtain feedback from 25 Civil Engineering students of 3rd semester onwards in Indian technological universities on their perception about unethical practices in the construction industry. The collected data was then analysed and tabulated by using simple average mean and percentages. Based on the information collected, the problems related to ethics in the construction industry were identified and probable solutions were suggested to address the unethical practices.

Results and Discussion: Demographic Information of the 25 respondents, male respondents outnumbered female respondents. The majority of the respondents were between age 18 and 25. More than two third of all respondents self reported 5th or higher semesters.

Bribery: The majority of the respondents had opined the probable presence of bribery in the industry, in the form of cash inducement, gift, favors, trips and appointments in the construction industry.

Negligence: The majority of the respondents had agreed that various forms of negligence present in the construction industry which includes delayed and reduced payments, poor quality and inadequate information, lack of supervision, subcontractors' lack of safety ethics, bad documentation and unfair treatment of contractors in tender/final account negotiations respectively.

Fraud: eighty percent of the respondents had witnessed or observed the instances of fraud in the industry. 20% of the respondents affirmed that theft of materials and illogical request for time extensions happens quite often in various professions.

Dishonesty and Unfairness: more than 80 percent of the respondents agreed for the presence of unfair and dishonest conduct in the industry. They opined that these occur in the four major areas of tendering practices, bureaucratic or government policy, consultant fees and project costs and design and construction contractual agreements.

Ranking of Unethical Practices in Construction Industry: The highest ranked unethical practices as opined by the students are cover pricing (3.67), followed by bid cutting (3.30), late and short payments (3.29), subcontractor' lack of safety ethics (3.12), unfair treatment of contractors in tender/final account negotiations (3.10), competitors overstating their capacity and qualifications to secure work (3.08), competitors' falsification of experience, capabilities and qualifications (3.08), bureaucratic and government policy (3.05) and poor documentation (3.00). Respondents also suggested that changing the public's perceptions of the construction industry requires short, medium and long term measures and strategies. These were as follows:

Short Term Measures:

A complaints system in all departments should be enforced in the construction industry. Punitive measures, penalties or even cancellation of licenses on repeated violations may be introduced. At present, all complaints are submitted to the Malaysian Anti-Corruption Commission.

Organizations should spearhead ethical practices through organizational leadership. Also, ethical conduct and values of employees should be the criteria for rewards and promotions besides work related performance.

Medium Term Measures:

An indigenous quality assurance group should be part of every project team to ensure quality along with ethical practices.

Internship with approved organizations should be made regulatory/obligatory for young technical graduates for a period of more than six months to groom them on professional matters including ethical aspects

The media's role in promoting an ethical society is even more relevant today. It can play a very important role in overcoming ethical dilemmas and the formation of an ethical society by debating such issues publicly. In this context, training and increasing awareness is of paramount importance.

Long Term Measures:

The role of an independent judiciary in implementing the law cannot be overemphasized.

Research and development should be undertaken in the public and private sectors to effectively address ethical matters.

Empowering ethics education is considered significant for setting the foundations of a professional, together with input on his roles in the industry from professional institutions later in his professional life, as a 'check and balance ethics structure'. Organizations should make a conscious decision to pursue a corporate code of ethics.

Conclusion: The construction industry plays an important role in the economic contribution for the development of the country. To obtain optimal benefits from the industry and ensure the smooth functioning of the industry itself, good ethical practices are vital. Despite the innovations and advanced technology that has taken place in the industry, good ethical practices by the players in the industry are crucial for its growth. Professional institutions and government agencies play a crucial role in minimizing ethical lapses in the construction industry. In the present study only one category of stakeholders are considered with very small sample, further study may be conducted to examine the perceptions and reasons for increased

emphasis on the ethical behavior from the construction industry worldwide. Also further study could be conducted to examine whether these ethical behavior varies based on geographical are or different parts of the world. Further studies could be made by using advanced statistical tools to study the relationship between ethical behavior and success of a firm or industry as whole.

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