

**A FRAMEWORK OF FACTORS TO IMPROVE ETHICS
IN THE
MALAYSIAN CONSTRUCTION INDUSTRY**

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ABSTRACT

Construction industry is one of the largest and most valuable industries in Malaysia. However, in the face of its size and universality, it is often cited as plagued with graft and unethical practices. Hence, there is a need to address the increasing concern of unethical practices or ethical issues in the industry, which necessitates a research to overcome the problems prevailing in the industry. Therefore, the aim of the research is to develop a framework of factors to improve ethics in the construction industry.

The research process started with preliminary interviews with two experts to evaluate the usefulness and attitudes on the research topic, followed by literature review. In addition to literature, in order to gain input from industry on ethical issues and suggested solutions, pilot interviews with eleven key representatives from industry players were then conducted. The combination of these two processes was essential and meaningful towards the formulation of the framework of factors to improve ethics. It also assisted in the design and development of the questionnaire. The questionnaire was initially piloted with 24 respondents. Subsequently, the survey conducted received 329 usable questionnaires, representing a 33% usable response rate. The data collected was empirically evaluated and the framework statistically confirmed. The final phase of the research process was interviews with six experts to validate the framework that has been developed.

The research established the ethical background of the industry as an initial inquiry of ethics in the industry. With regards to this, the industry participants have a good understanding of the importance of ethics. In addition, the standard of ethics of the construction professionals and their organisations is good, however; the overall standard

of ethics of the industry is low. Next, the research identified ethical issues that occur in the industry, which were grouped accordingly to different stages of a construction project from pre-contract, construction, post-contract issues, and other issues related to a construction project such as environmental issues.

The main contribution of the research is a holistic approach to the developed framework of factors to improve ethics in the construction industry. The factors are divided into eight components: i) individual, ii) professional training, iii) organisational, iv) industry v) system and procedure, vi) environmental ethics, viii) legislative enforcement, and viiii) accountability and customer satisfaction. The framework was validated and acknowledged by experts as practical, easy to understand and relevant to the industry. They added that the factors incorporated in the framework are comprehensive, significant and useful towards pioneering the efforts to improve ethics in the industry, and suggested that it should be adopted by educationists, professional bodies, industry players and policy makers in Malaysia.

ABSTRAK

Industri pembinaan adalah salah satu industri terbesar dan paling berharga di Malaysia. Walaubagaimanapun, dalam menghadapi saiz dan kesejagatannya, ia sering dikaitkan dengan amalan-amalan rasuah dan tidak beretika. Oleh itu, kajian untuk menangani masalah-masalah amalan tidak beretika atau isu-isu etika di dalam industri pembinaan perlulah dijalankan. Maka, tujuan kajian ini adalah untuk membangunkan satu rangkakerja faktor - faktor untuk meningkatkan etika di dalam industri pembinaan.

Proses penyelidikan ini bermula dengan menjalankan temuduga awalan dengan dua orang pakar untuk menilai kesesuaian dan signifikan topik kajian, serta di ikuti dengan kajian literatur. Seterusnya, temubual perintis dengan sebelas wakil utama dari penggiat-penggiat industri telah dijalankan sebagai tambahan kepada kajian literature bertujuan untuk mendapatkan input daripada pihak industri mengenai isu-isu etika dan cadangan penyelesaian. Gabungan kedua-kedua proses ini adalah penting dan bermakna ke arah membangunkan rangkakerja factor-faktor untuk meningkatkan etika. Ia juga membantu di dalam rekabentuk dan untuk membangunkan soalan bagi kajian soal selidik. Kajian soal selidik awalan telah dilakukan ke atas 24 responden. Seterusnya, kajian soal selidik telah dijalankan dan sebanyak 329 kertas kajian soal selidik mewakili 33% kadar respon telah dikembalikan dan digunakan. Data yang dikumpul telah dinilai secara empirikal dan rangkakerja ini telah disahkan secara statistik. Fasa terakhir di dalam proses kajian ini adalah temubual dengan enam orang pakar untuk mengesahkan rangkakerja yang telah dibangunkan.

Sebagai persoalan awalan, kajian ini telah mengenalpasti latar belakang etika industri ini. Berhubung dengan perkara ini, pengiat-pengiat industri mempunyai pemahaman

yang baik mengenai kepentingan etika. Di samping itu, standard etika professional - profesional pembinaan dan organisasi-organisasi mereka adalah baik, walaubagaimanapun, standard etika bagi keseluruhan industri adalah rendah. Seterusnya, kajian ini mengenalpasti isu-isu etika yang berlaku di dalam industri, dan dikumpulkan mengikut peringkat yang berbeza di dalam sesuatu projek pembinaan dari pra-kontrak, pembinaan, pasca-kontrak, dan isu-isu lain yang berkaitan dengan projek pembinaan seperti isu alam sekitar.

Sumbangan utama kajian ini adalah satu pendekatan holistik yang telah dibangunkan untuk rangkakerja faktor - faktor untuk meningkatkan etika di dalam industri. Faktor - faktor ini dibahagikan kepada lapan komponen: i) individu, ii) latihan professional, iii) organisasi, iv) industri, v) sistem dan prosidur, vi) etika alam sekitar, vii) penguatkuasaan undang-undang, dan viii) akauntabiliti dan kepuasan pelanggan. Rangkakerja ini telah disahkan oleh pakar-pakar sebagai praktikal, mudah untuk difahami dan relevan kepada industri. Mereka juga turut menambah bahawa faktor-faktor yang dikenalpasti di dalam rangkakerja ini adalah komprehensif, penting dan berguna ke arah merintis usaha untuk meningkatkan etika dalam industri ini, dan dicadangkan supaya ia diguna-pakai oleh ahli-ahli pendidik, badan-badan professional, penggiat-penggiat industri dan pembuat dasar di Malaysia.

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LIST OF ABBREVIATIONS

ARCOM	Association of Researchers in Construction Management
ASC	The Associated Schools of Construction
CIDB	Construction Industry Development Board
CIMP	Construction Industry Master Plan
CPD	Continuing professional development
E.g.	For example,
Etc.	And others,
FIDIC	International Federation of Consulting Engineers
HKEDC	Hong Kong Ethics Development Centre
i.e.	That is,
IIM	Institute of Integrity Malaysia
Industry	Construction industry
KPMG	Klynveld Peat Marwick Goerdeler
PWD	Public Works Department
Project	Construction project
RICS	Royal Institution of Chartered Surveyors
RM	Ringgit Malaysia
The Government	Government of Malaysia
UK	United Kingdom
US	United States of America

DEFINITION OF TERMS

Construction industry: The sector responsible for the physical development of the country (CIDB, 1994). Section 2 of the CIDB Act 1994 defines “construction industry” as the “industry” concerning “construction works” (CIDB, 1994).

Construction works: The construction, extension, installation, repair, maintenance, works renewal, removal, renovation, alteration, dismantling, or demolition of (a) any building, erection, edifice, structure, wall, fence or chimney; (b) any road, harbour works, railway, cableway, canal or aerodrome; (c) any drainage, irrigation or river control works; (d) any electrical, mechanical, water, gas, petrochemical or telecommunication works; or, (e) any bridge, viaduct, dam, reservoir, earthworks, pipeline, sewer, aqueduct, culvert, drive, shaft, tunnel or reclamation works”(CIDB, 1994). The definition further covers “any works which form an integral part of, or are preparatory to, or temporary for the works described above, including site clearance, soil investigation and improvement, earth-moving, excavation, laying of foundation site restoration and landscaping” (CIDB, 1994). The definition by CIDB (1994) on “construction works” is manifested as the definition of construction “**projects**” for this research.

Construction professionals: Various disciplines of professionals involved in construction works that is: architects, engineers; mechanical, electrical, civil and structural, and quantity surveyors. The professionals can be employed in the public sector, that is: the local authorities and federal government entities; and also private sector employed within developers, consultants and contractors offices.

DEFINITION OF TERMS (Continued)

Ethics: The basic concepts and fundamental principles of right human conduct. It includes study of universal values such as the essential equality of all men and women, human or natural rights, obedience to the law of land, concern for health and safety and, increasingly, also for the natural environment (Business Dictionary, 2011a).

Industry players: Clients - public and private; consultants - comprising architect quantity surveyors, civil and structural, electrical, mechanical; and contractors.

Industry participants: Includes construction professionals and industry players.