

THE UNETHICAL BEHAVIOURS AMONG  
PRACTITIONERS IN PROJECT MANAGEMENT  
STAGES IN KLANG VALLEY CONSTRUCTION  
PROJECTS

BY

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## ABSTRACT

The main aim of this study is to examine the unethical behaviours among the practitioners in project management stages in Klang Valley construction projects. The objectives of this thesis are as follows: Firstly, to identify the factors that drive the practitioners to unethical behaviours in project management stages. Secondly, to identify the unethical behaviours that occur in the project management stages. Thirdly, to evaluate the level of awareness and application of the principles of the code of ethics when the practitioners carry out their duty in the projects. Fourthly, to develop the practical guidelines for managing and reducing the unethical behaviours in construction projects. However, it appears that practitioners in the building construction industry deemed to behave unethically when implementing project management on various stages that persist to lead to lower outcomes in project quality. This negative impact can damage the outcomes of economic and social development, which may also stop the sustainable development. The methodology adopted in this study was quantitative approach through literature reviews followed by the questionnaire to collect the required data from the practitioners. The respondents comprised of 336 practitioners from Board of Architects, Engineers and Quantity Surveyors. A pilot study was conducted to ensure validity of the research by fifty practitioners, who are from different fields (Engineers, Quantity Surveyors, and Architects) in Klang Valley. The data were analysed using descriptive and inferential statistics such as one-way ANOVA and Multiple Linear Regression (MRA). The results showed that project factors have the highest mean among the factors that drive the practitioners to unethical behaviours in project management stages followed by external environment, personal environment, individual attributes, work environment, professional environment, governmental environment, and social environment has the lowest mean. Based on MRA results, unethical behaviours were significantly by three of the eight factors, namely project factors, personal environment and lastly external environment. Regarding the unethical behaviours in the project management stages, the fifth stage has the highest mean as the most occurred unethical behaviours, followed by stage two. On the other hand, stage three showed the lowest mean among other stages, this followed by stage four as the second lowest mean. Concerning the level of awareness and applying the principles of the code of ethics, honesty and reliability came as the highest principles of the code of ethics, followed by integrity, fair reward, objectivity, fairness, and accountability. In this regard, based on One-way ANOVA results, differences were found on honesty and fairness based on the respondents' years of experience. However, no differences in the principles of the code of ethics were found on the respondents' level of education. There are series of efforts should be made early in the life of the practitioner such as creating awareness, education, training, cancellation of license on repetitive violations, heavier penalties, and quality assurance group should be part of every project stage to ensure quality along with a project to prevent unethical behaviours in project management stages.

## ملخص البحث

الهدف الرئيسي من هذه الدراسة هو فحص السلوكيات غير الأخلاقية بين الممارسين في مراحل إدارة المشروع في مشاريع البناء بوادي كلانج (Klang Valley). تتمثل أهداف هذه الورقة البحثية فيما يلي: أولاً، تحديد السلوكيات غير الأخلاقية التي تحدث في مراحل إدارة المشروع. ثانياً، تحديد العوامل التي تدفع الممارسين إلى السلوكيات غير الأخلاقية في مراحل إدارة المشروع. ثالثاً، تقييم مستوى الوعي وتطبيق مبادئ مدونه الأخلاق عند قيام الممارسين بواجبهم في المشاريع. رابعاً، وضع توجيهات عملية لإدارة السلوكيات غير الأخلاقية والحد منها في مشاريع البناء. ومع ذلك، فقد ظهرت العديد من الحالات التي أشارت إلى أن الممارسين في صناعة البناء والتشييد عملياً يتصرفون بشكل غير أخلاقي أثناء تنفيذهم لإدارة المشاريع في مختلف المراحل المشروع، وذلك يؤدي إلى انخفاض مستمر لنسبة جودة المشروع. وهذا يُنشأ تأثير سلبي قد يضر بنتائج التنمية الاقتصادية والاجتماعية، مما قد يوقف أيضاً التنمية المستدامة. وقد أجريت المنهجية البحثية من خلال مراجعة الأدبيات التي تتبعها استبيان لجمع البيانات المطلوبة من الممارسين لتلبية متطلبات البحث الكمي واختبار دقة البيانات. وشمل عدد المشاركين ٣٣٦ شركة ممارسة من كلٍ من مجلس المهندسين المعماريين، والمهندسين، ومساحين الكمية. أجريت دراسة تجريبية لضمان صحة البحث على عشرين خبيراً، وهم عبارة عن عشرة أكاديميين من أقسام مختلفة (مهندسون، مساحون كميات، ومهندسون معماريون) في الجامعة الإسلامية العالمية بماليزيا، وثلاثة خبراء من شركات استشارية، وتطويرية، ومقاولات، واحداً من كلٍ من مجلس الهندسة المعمارية والهندسة ومساحين الكمية وأربعة خبراء في الإحصاء. تم تحليل البيانات باستخدام التحليل الوصفي، وتحليل التباين أحادي الاتجاه (ANOVA) والانحدار الخطي المتعدد (MRA). وأظهرت النتائج أن خصائص المشروع لها متوسط أعلى من بين العوامل التي تدفع الممارسين للسلوك غير الأخلاقي في مراحل إدارة المشاريع. تليه البيئة الخارجية، والبيئة الشخصية، والسمات الفردية، وبيئة العمل، والبيئة المهنية، والبيئة الحكومية، والبيئة الاجتماعية. وبناءً على نتائج الانحدار الخطي المتعدد (MRA)، تم التنبؤ بالسلوك غير الأخلاقي بشكل ملحوظ من خلال ثلاثة عوامل من العوامل الثمانية، وهي: خصائص المشروع، والبيئة الشخصية والتي تعتبر أقوى مؤشر على السلوكيات غير الأخلاقية، وتليها البيئة الخارجية. فيما يتعلق بالسلوكيات غير الأخلاقية في مراحل إدارة المشروع، حصلت المرحلة الخامسة على أعلى متوسط لوجود أعلى نسبة سلوكيات غير أخلاقية بها، تليها المرحلة الثانية ومن ناحية أخرى، أظهرت المرحلة الثالثة أدنى معدلات المتوسط بين المراحل الأخرى، تليها المرحلة الرابعة باعتبارها المرحلة الثانية بأدنى متوسط. أما فيما يتعلق بمستوى الوعي وتطبيق مبادئ مدونة الأخلاق للمهنة، صُنّف الصدق والمصادقية كأسمى مبادئ في مدونة الأخلاق، وتبعتهم النزاهة والمكافأة العادلة والموضوعية والإنصاف والمسؤولية. وفي إطار هذا، واستناداً إلى نتائج تحليل التباين أحادي الاتجاه (ANOVA)، تم العثور على إختلافات في نسبة الأمانة والعدل استناداً إلى سنوات خبرة المشاركين. ورغم ذلك، لم يتم العثور على أي إختلافات مبادئ مدونة الأخلاق للمهنة فيما يتعلق بمستوى التعليم الخاص بالمشاركين. في الختام، يجب بذل مجهود دوري في وقت مبكر من حياة الممارس مثل: خلق الوعي، والتعليم، والتدريب، وإلغاء ترخيص الانتهاكات المتكررة، والعقوبات الثقيلة. يجب أن تكون مجموعة ضمان الجودة جزءاً من كل مرحلة من مراحل المشروع لتحقيق الجودة بجانب المشروع ومنع السلوكيات غير الأخلاقية في مراحل إدارة المشاريع.

## APPROVAL PAGE

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## DECLARATION

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*This thesis is dedicated to my father, who taught me the best knowledge to gain is by learning for its own sake. It is also dedicated to my mother, who taught me that even the toughest task can be accomplished if it is done step by step. Last but not least, I dedicated this to my Ummah, who taught me on new appreciation for the meaning and importance of love. Their inspirations have kept me pursuing on whatever I do without giving up*

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## LIST OF ABBREVIATIONS

ACA	Anti- Corruption Agency
ASCE	American Society of Civil Engineers
ANOVA	Analysis of Variance
CIDB	Construction Industry Development
CIMP	Construction Industry Master Plan
CMAA	Construction Management Association of America
CPD	Continuing Professional Development
DV	Dependent Variable
ERB	Engineering Registration Board
FMI	Fails Management Institute
IIUM	International Islamic University Malaysia
IPMA	International Project Management Association
IV	Independent Variable
MRA	Multi Regression Analysis
MRR2	Middle Road Ring Two
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
PMP	Project Management Professional
PhD	Doctor of Philosophy
SD	Standard Deviation
SPSS	Statistic Package for the Social Science
VIF	Variance Inflation Factor
ZRESID	Standardized Residuals



## LIST OF SYMBOLS

B	Path Coefficient
DF	Degree of Freedom
F	f-Value
P	p-Value
r	Correlation Coefficient Value
R	Correlation
Sig	Significance Value
T	T-Statistic

# **CHAPTER ONE**

## **OVERVIEW OF THE RESEARCH**

### **1.1 INTRODUCTION**

This chapter is split into eight sections. Each section is focusing on specific sub-topics that are related to ethical/unethical behaviours among practitioners in project management stages in Malaysian construction projects, especially in the Klang Valley. The first section discusses the background of the study from different literatures. In the second section, the research problem statement is introduced through identifying several problems areas in this study. Research objectives and research questions are illustrated in sections three and four, followed by research design and significance of study in section five and section six. The final section presents the scope and limitations of this study, besides these sections have explained the structure of the whole thesis for clarification and structural organisation, with a summary of the end of this chapter.

### **1.1 BACKGROUND OF THE STUDY**

These days across the globe, construction industry is a demanding and challenging business sector. On the other hand, ethical practice among the practitioners within the cycle of the construction industry is very significance in the same manner to various disciplines (Shah and Alottaibi, 2017).

As far as the construction industry is concerned, it is cleared that unethical practice positions top among the most thoughtful problems influencing the sector. Some ethical problems that are facing this sector are included however are not confined to: interest conflict, bills inflation, incompetence by the professionals,

kickbacks, extortion, misconduct of the professionals, and poor work delivery among a few other problems. The results of these unethical practices in the construction industry can cause confidence reduction as regard the profession, constant doubtful practices that threaten lives and property, loss of pay by customers and governments, unnecessary and unfounded disbursements that raise poverty levels and quality of life reduction among others (Shah and Alotaibi, 2017).

According to Miller (2011), unethical behaviours in the construction industry is an area that is rarely discussed and explored openly, because, the majority of the people avoid damaging their own reputation which is akin to “throwing stones in a glass house”. Nowadays, ethics' practice in the construction industry is considered a topic for high profile discussions (Mason, 2009).

In addition, across the globe including Malaysia, project management has a major significance role in the construction industry, because of the rapid development and expansion to the construction industry that needs to encounter the requirements of an increasing population and also to sustain this industry by close observation and monitoring behaviours on major projects. Moreover, according to May, Wilson and Skitmore (2001), unethical behaviours of the practitioners involved in the project management have caused many problems that give a negative image which leads to a loss of faith in the projects that are conducted in the construction industry.

It is known that practitioners in the construction industry usually have the ethical standards and regulations, in order to ensure conformity to quality assurance and safety. In this regard, practitioners might also have identical ethical standards that will give and provide a universal foundation for all practitioners in this industry. Otherwise, the projects will not be completed on time and with the desired requirements of the stakeholders (Construction Archives, 2009; Concrete-Ethics,

2009). Accordingly, the importance of ethics and the recognition of the value orientation in the construction projects is found by the researchers who focused on addressing and identifying the unethical behaviours that occurred in each stage of the project management in this industry (Concrete-Ethics, 2009).

Thus, it has been found that the code of ethics in the construction industry is very helpful for practitioners in achieving harmony within the company and generally, in contributing profitability and viability of the whole industry.

The unethical behaviours that consequently impacted the provided value and the expected outcomes of a project, meaning that instead of having profit it leads to loss. Similarly, due to non-adherence to ethics, some unethical behaviours have caused many problems within projects management and if these unethical behaviours are left without being resolved, it will have a highly negative impact on the projects and on the companies operating within this industry. A good example of a great company collapsed due to unethical behaviour and doubtful integrity is about the Enron Corporation (Concrete-Ethics, 2009).

## **1.2 PROBLEM STATEMENT**

Malaysia construction industry in particular Klang Valley is facing many challenges such as socio-economic, cultural, political and business environment, either domestically or globally. The level of the competition in the construction industry according to Yinghi and Eng (1999) has risen in the past decade and forecasted to be more intense in the new millennium. This happens as a result of the market opening for the international competitors and the adoption of technology by the competitors.

The construction industry in the face of its size and universality is recognised as the corrupt industry and the main problem that surfaces is the fragmentation of the different sectors in the industry (Toor and Ofori, 2006). Construction practitioners exercise their own skills and judgement and are accountable to the client and bound by their professional code of ethics. Whereas contractors are keen to make a profit and thus their actions are inclined to their respective principles in business ethics. It is one of the most inclined to unethical behaviours, as a result of the substantial capital investments, investments which cannot be redeployed after implementation, and also the large-scale opportunities for rent extraction that is provided. In the recent studies in the construction businesses, engineering, and manufacturing sectors, fraud is shown to be the most common shape of unlawful activity, which are prone to fraudulent activities.

A serious contribution to economic growth is from investment in infrastructure, and in construction projects, corruption and mismanagement can damage the outcomes of economic and social development, which may also block the sustainable development (Adnan et al., 2012). According to Abdul-Rahman et al. (2010), one of the main reasons for success in any project from the beginning stage to the closing stage is considered the behaviour of the individual who involved in that project.

According to Adnan, Hashim, Mohd and Ahmad (2012), in the construction projects, many practices are affected by the unethical behaviours. These unethical behaviours may be due to many reasons such as, poor education of ethics in the professional institutions; schools; and universities, cultural changes, economic pressure, insufficient legislative enforcement, and the great difficulties during construction work. The reasons that cause the unethical behaviours, and the different aspects coming from either pressure, reports, change of status, backdates of

signatures, which hides the reality of project's progress by suspicious documentation or approving sloppy work.

In addition, some of the project managers are not aware of the reasons that cause unethical behaviours in the projects. Almost 18% of project managers fail to realize that the unethical behaviours happen in their project (Robb, 1996). Consequently, examples of the unethical behaviours are exaggerating the budget of the project proposals and inaccurate of estimations of time and cost. In addition, unethical behaviours include situations, where it is difficult to determine if the behaviour is right or wrong. Nevertheless, is it acceptable to ensure customers wrongly on the track? when, in fact, you are only doing so to prevent them from panicking and making matters worse? (Gray & E.W, 2003).

Equivalently, the unethical behaviours widespread that are identified in businesses are similarly true for projects that include: covering prices, bribes, use of mediocre materials, buy-in, wired bids and contracts, loyalties consultant, shortchanging cost estimates, violating standards, exaggerating payoffs in project proposals, paddling of time, compromising safety, and shortcuts (Nixon, 1987).

According to Adnan et al. (2012), there is no difference in the Malaysian construction industry, despite guidelines and acts for following ethical standards, the unethical behaviours still exist in the projects and still high to which leads to lower outcomes in project quality. In Malaysia, projects in many public sectors are faced by issues such as suspension of school building projects, delaying in completing computer labs of the schools, in the state of Terengganu, the roof of the Sultan Mizan Zainal Abidin Stadium is collapsed and recently it was found that there are thirty-one (31) columns which have cracked in the Middle Road Ring Two (MRR2) project by

the head office of the MATRADE (Malaysian External Trade Development Corporation) (Abu Hassim et al., 2010).

According to CIDB (2008), the project stages in the Malaysian construction industry are related to the term (3D) which means dirty, dangerous, and demanding. However, in the construction industry, the occurrences are not always as expected, but it accommodates a little above 500,000 jobs for both the foreign and local workers. This indicates that practitioners who are involved in engineering, quantity surveying, and architectural activities in construction projects are used to illegal or unethical behaviours from time to time. Moreover, many practitioners mentioned above have faced other related matters and regarding their work encountered illegal or unethical acts (Berawi et al., 2008).

Within the Malaysian construction industry, a study conducted using survey techniques indicated that low ethical education is the fourth-ranked among the main other factors that lead to the unethical behaviours. Thus, the construction industry in Malaysia needs a high improvement about the unethical behaviours because the problems of the unethical behaviours are generally discussed and have raised many practical concerns. In addition, the literature that discussed ethics in project management or project management PMI code of ethics is limited (Baker, 1999).

Lastly, the discussion on ethics in project management has received very little attention in journal papers or in project management conferences. Therefore, due to the importance of ethics in the field of project management, Project Management Institute of United States of America (PMI) has recently involved a section on ethics in Project Management Professional (PMP) certification examination and on professional responsibility. Therefore, in light of the significance of the unethical behaviours among practitioners in project management stages and through this

phenomenon of unethical behaviours that observed, the problem statement developed in this study seeks to identify the unethical behaviours and identify the factors that drive the practitioners to these unethical behaviours which occur in various project management stages in Malaysian construction projects especially in Klang Valley.

### **1.3 RESEARCH QUESTIONS**

There are four research questions which are extracted from this study's objectives:

١. What are the factors that drive the practitioners to unethical behaviours in project management stages in Klang Valley construction projects?
٢. What are the unethical behaviours that occur in the project management stages in Klang Valley construction projects?
٣. What is the level of awareness and application the principles of the code of ethics when the practitioners carry out their duty in project management stages in Klang Valley construction projects?
٤. What are the practical guidelines that are supposed to be applied for the betterment of the projects for managing and reducing the unethical behaviours in Klang Valley construction projects?

### **1.4 RESEARCH OBJECTIVES**

This study has the main goal with specific four objectives. The main goal of this study is to determine the unethical behaviours in project management stages in the Klang Valley construction projects, while the specific four objectives are to:

١. To identify the factors that drive the practitioners to unethical behaviours in project management stages in Klang Valley construction projects.