

3rd IIUM – KYOTO UNIVERSITY RESEARCH COLLOQUIUM
Understanding *Shari'ah* and Its Application in Construction
AnCASA Hotel & Spa
Kuala Lumpur
December 2nd & 3rd, 2015

**APPLICATION OF ISLAMIC VALUES AND ETHICS
IN THE CONSTRUCTION INDUSTRY IN MALAYSIA**

Azila Ahmad Sarkawi and Khairuddin Abdul Rashid

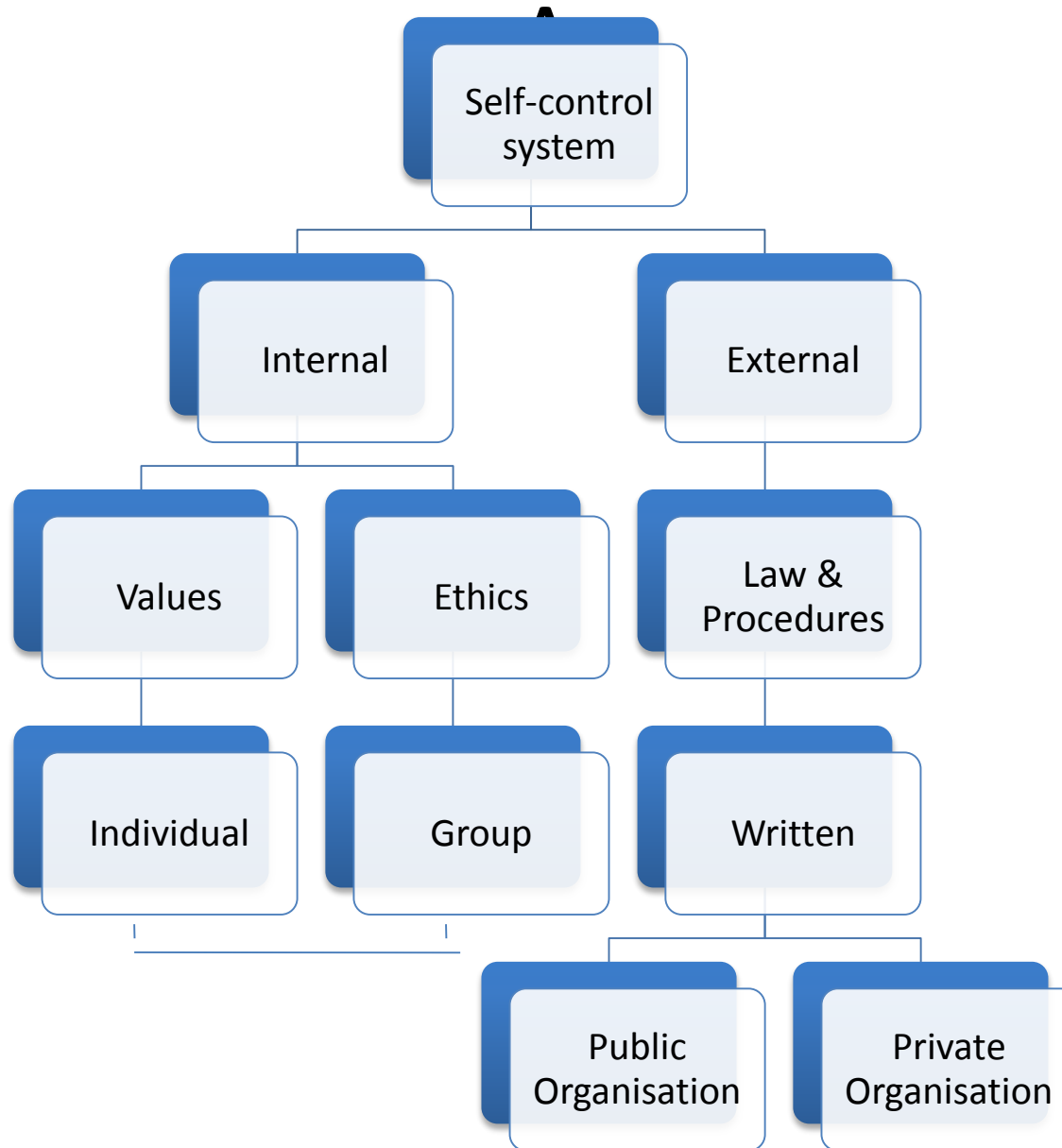
Contents

- Introduction
- Values and ethics in Islam
- Construction industry activities
- Law, regulations and procedures
- Malpractices in construction industry activities
- Application of Islamic values and ethics in construction industry activities
- Proposal for common value system for construction industry players
- Conclusion

APPLICATION OF ISLAMIC VALUES AND ETHICS IN THE CONSTRUCTION INDUSTRY IN MALAYSIA

- *Mu'amalat* (man and man) within the realm of the relationship between man and the Creator i.e. its manifestation.
- Managing human behaviour
- Human beings are collective by its nature
- Law is a consequences of living together
- Prophet Muhammad as *rahmatan lil 'alamin*
- *Innama bu'istu li utammima makarimal akhlaq*
- *Inna akramakum 'indallahi atqakum*

Self-control system in project management



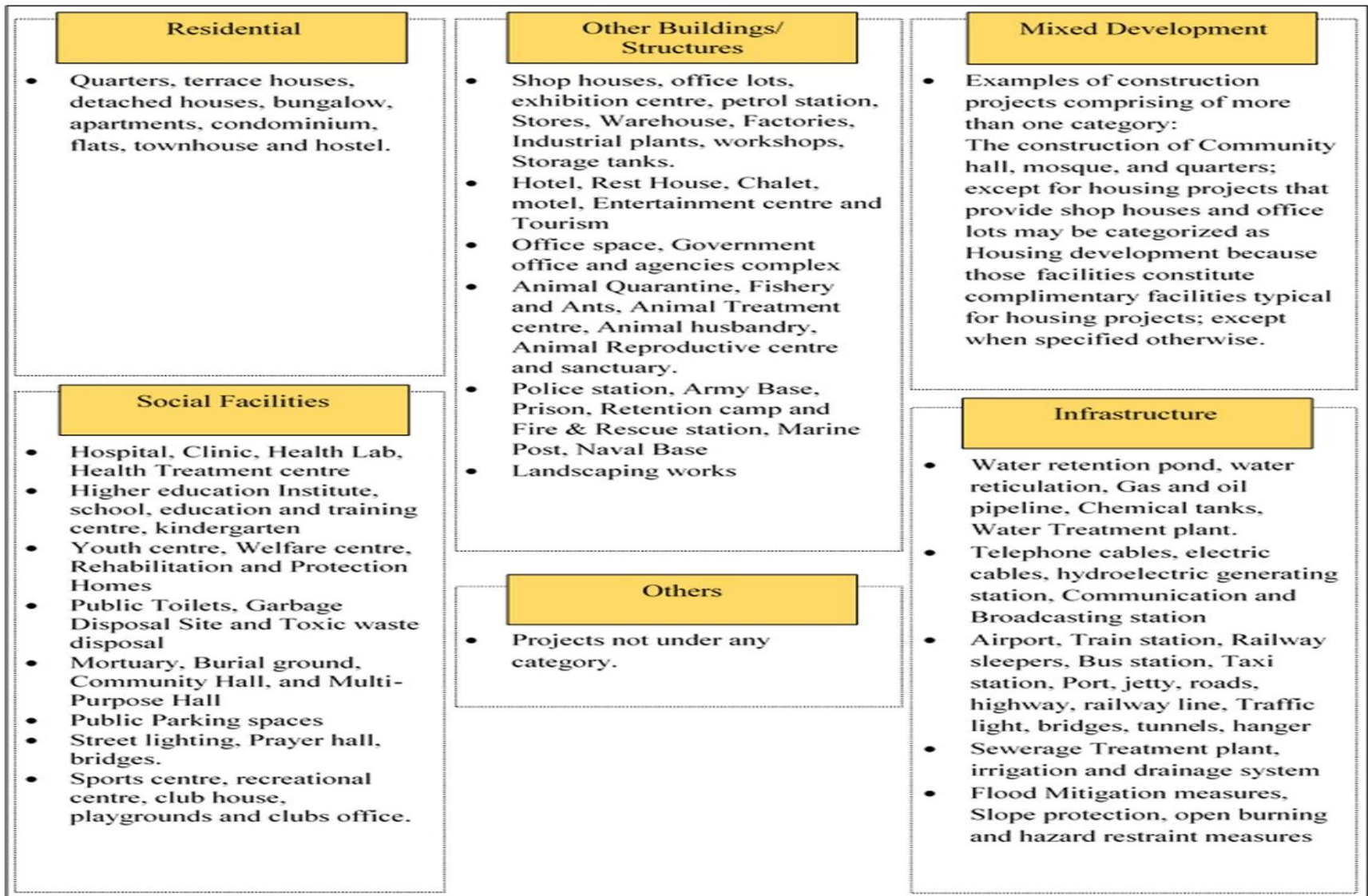
Definition of Construction

According to the **Construction Industry of Development Board Act (Amendment) 2011**, construction is defined as the construction, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling, or demolition of-

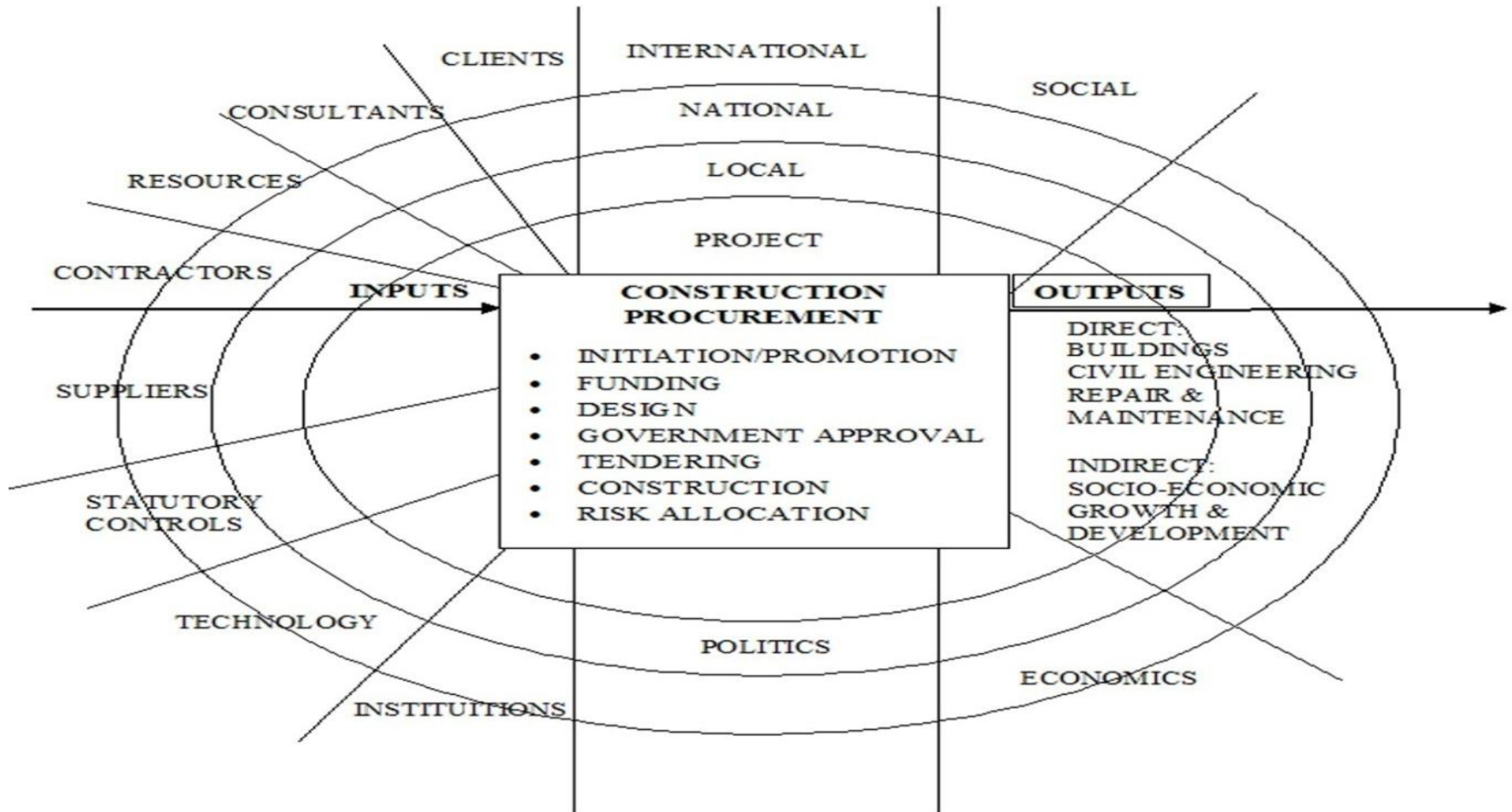
- any building, erection, edifice, structure, wall, fence or chimney, whether constructed wholly or partly above or below ground level;
- any road, harbour works, railway, cable way, canal or aerofrome;
- any drainage, irrigation or river control works;
- any electrical, mechanical, water, gas, petrochemical or telecommunication works; or
- Any bridge, viaduct, dam, reservoir, earthworks, pipeline, sewer, aqueduct, culvert, drive, shaft, tunnel or reclamation works,

and includes any works which form an integral part of, or are preparatory to or temporary for the works described in paragraphs (a) to (e), including site clearance, soil investigation and improvement, earth-moving, excavation, laying of foundation, site restoration and landscaping.

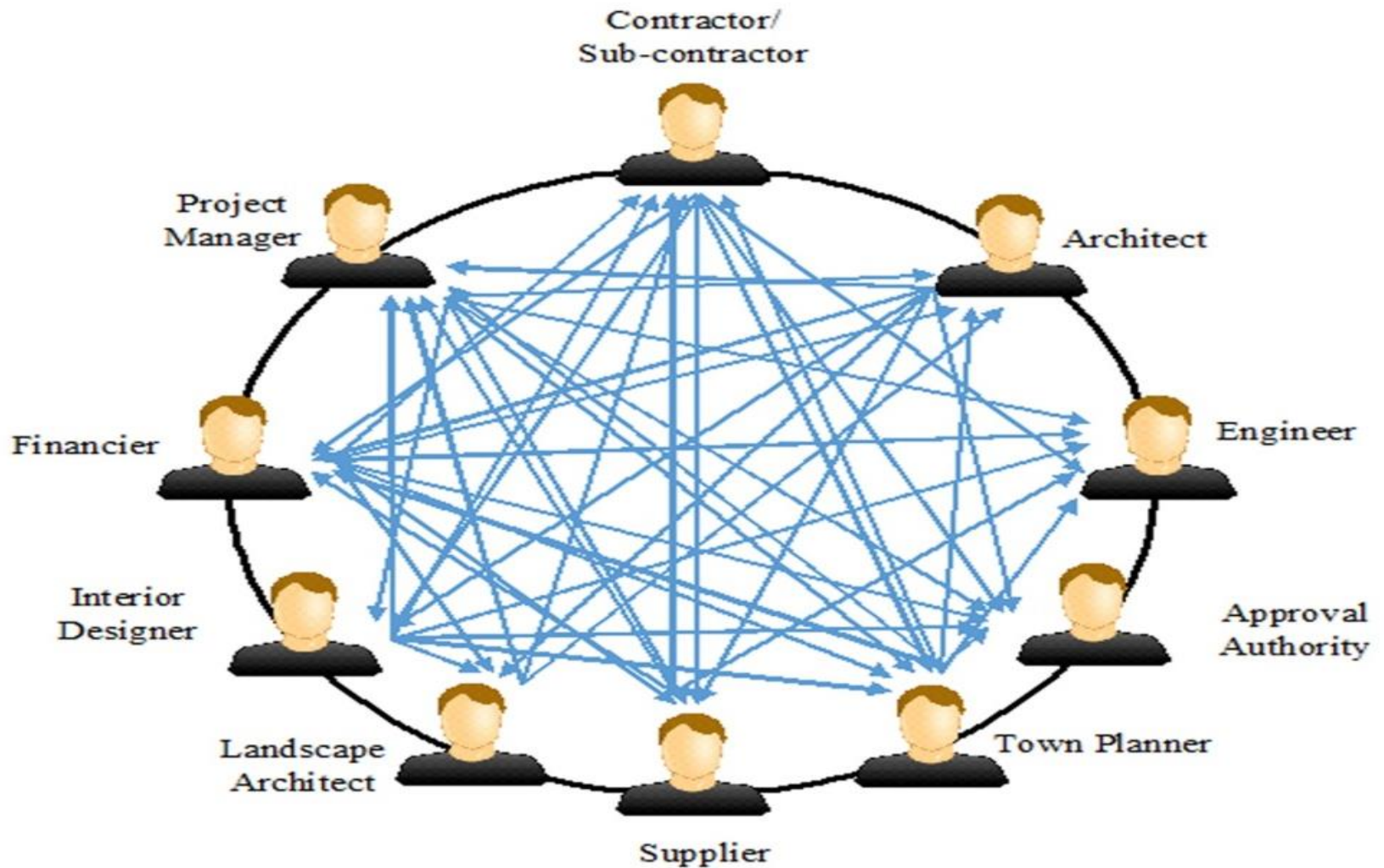
Categories of Construction Works in Malaysia



Environment Surrounding the Processes of Construction Procurement (Khairuddin, 2002)



Parties involved in Construction Project and their Chain of Communication



Manpower in the construction production process

No	Categories	Description
1	Unskilled workers	-are those who do not possess skills in any construction trades. They perform basic tasks such as carrying, loading and unloading materials, clearing debris and other general tasks as directed on the site
2	Semi-skilled workers	-are those who possess skill of one or more construction trades but their level of skills have not reached those of skilled labour. They assist skilled labour and may perform some skilled work independently.
3	Skilled labour or craftsmen	-are those who possess skill of one or more construction trades.
4	Technician	-are those holding technical diploma or certificate qualifications from local universities or training institutions. They assist the contractor's engineer, quantity surveyors, etc., and work as technical assistants, works-supervisors, foremen-of-works, etc.
5	Technologists	-are those holding technical degree qualification from local or foreign universities and have the experience required for membership of professional institutions. They are the contractors' construction managers, project or site engineers, project or site quantity surveyors, purchasers, etc.

Law, regulations and procedures

- Business Ethics Institute of Malaysia (1997) to encourage high standard of corporate behaviour.
- Malaysian Institute of Corporate Governance (1998) to raise the awareness and practice of good corporate governance in Malaysia.
- Construction Industry Development Board initiated the Integrity Course in 2008 as part of its effort in contributing towards the upholding and instilling of integrity.
- Anti-Corruption principles for corporations in Malaysia (2011) towards creating a business environment that is fair and transparent.

Law, regulations and procedures

- Architect Act 1967
- Engineer Act 1967
- Quantity Surveyor Act 1967

And their respective Code of Professional Conducts

- Contractors' Code of Professional Conducts
- Department of Islamic Development Malaysia in collaboration with Malaysian Administrative Modernisation and Management Planning Unit
- National Integrity Plan is to meet the fourth challenge of Vision 2020, namely, “to establish a fully moral and ethical society whose citizen are strong in religious and spiritual values and imbued with the highest ethical standards.”

Malpractices

- Based on Transparency International's Bribe Payers Index, Sohail & Cavill, 2008; Krishnan, 2009; Murray & Meghji, 2009; Rumaizah et.al. 2011 affirmed that corruption to be greater in construction industry than any other sector of the economy.
 - Soliciting and accepting bribe
 - Offering and giving bribe
 - False claim
 - Abuse of position/office

Factors to deterioration of integrity

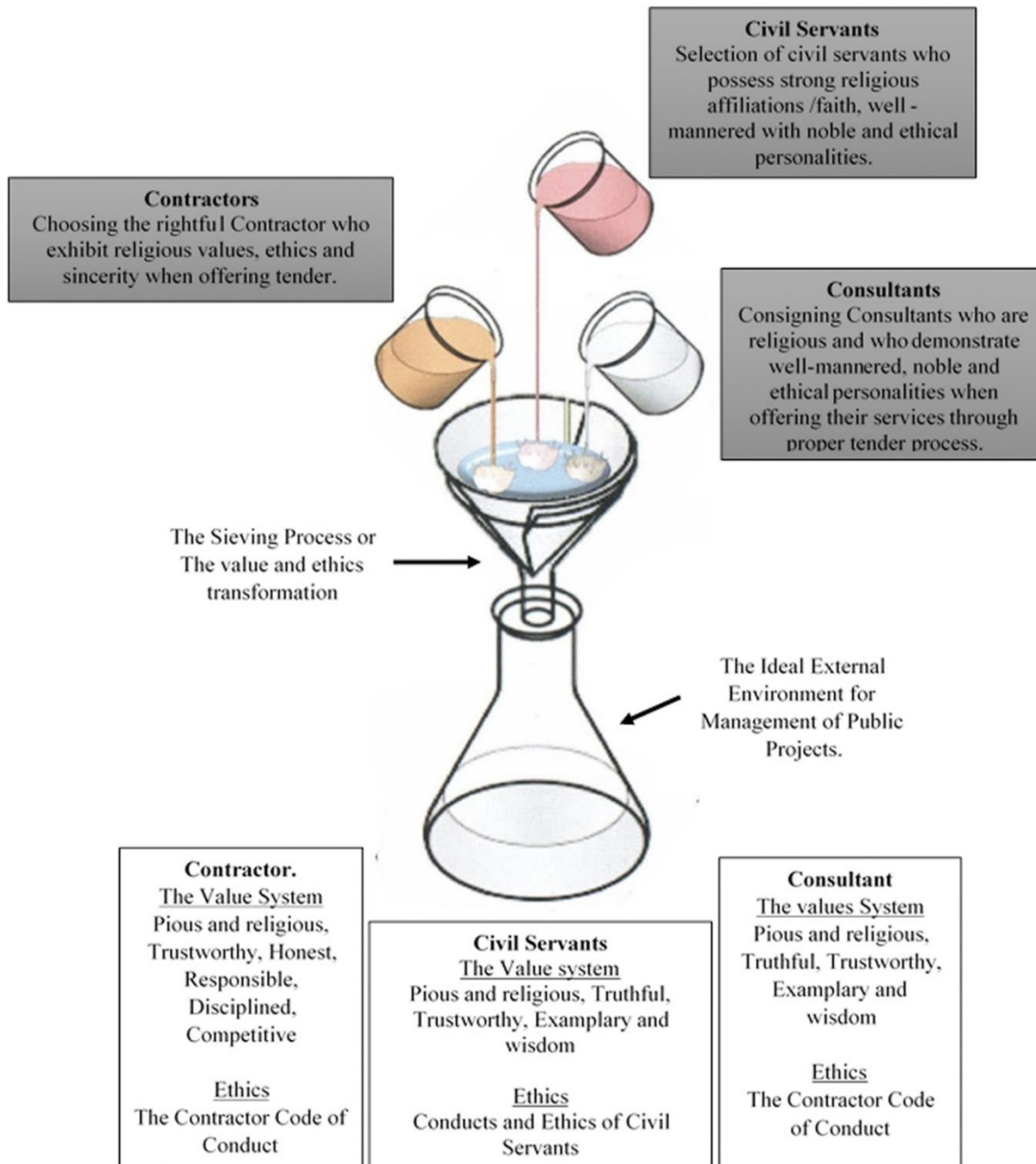


Example of cases

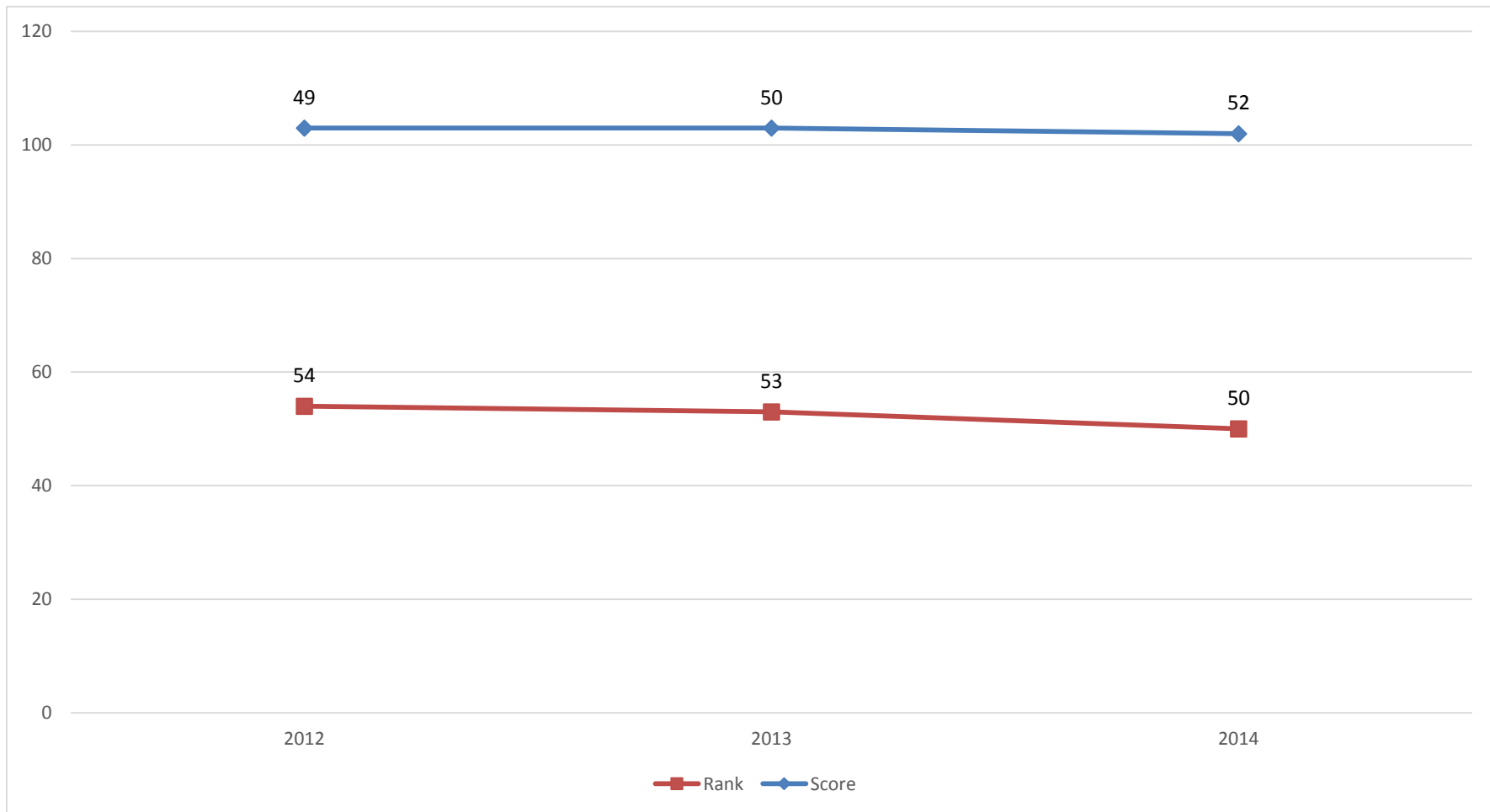
- RM1.5 million allocated for the work of repairing and upgrading the Bukit Aman police headquarters is spending that does not exist. Senior police officer among six arrested in connection with alleged misconduct involving more than RM1.5 million allocation to repair and upgrade the police headquarters in Bukit Aman (November 2015).
- Collapse of Highland Tower (1993)

Report by National Chief Auditor 2012:

- Army College, Port Dickson- not achieving value for money and lack of transparency.
- Water Supply & Environment Cleanliness program by Ministry of Health- wastage, lack of transparency and late delivery.



Malaysia's Ranking & Score in the Corruption Perception Index (2012-2014) among 175 countries



Islamic principles: Six pillars of Iman

- Abu Hurairah reported, one day the Messenger of Allah (saw) appeared before the public that a man came to him and said: Prophet of Allah, (tell me) what is *iman*. Upon this, he (the Holy Prophet) replied: That you affirm your faith in Allah, His angels, His Books, His meeting, His Messengers and that you affirm your faith in the Resurrection hereafter..”

(Sahih Muslim, Book 001, Number 0004)

*Believe in unseen things as spiritual strength

Islamic principles: Five pillars of Islam

- It is narrated on the authority of ('Abdullah) son of Umar (may Allah be pleased with them) that the Holy Prophet (may peace of Allah be upon him) said: (The superstructure of) al-Islam is raised on five (pillars), i.e. the oneness of Allah, the establishment of prayer, payment of zakat, the fast of Ramadhan, pilgrimage (to Mecca).

(Sahih Muslim, Book 001, Number 0018)

*Belief system that been translated into action

Islamic principles of Ihsan

- “...he (the inquirer) again said, Messenger of Allah, what does al-ihsan imply? He (the Holy Prophet) replied: That you worship Allah as if you are seeing Him, and in case you fail to see Him, then observe prayer (with this idea in your mind) that (at least) He is seeing you...”

(Sahih Muslim, Book 001, Number 0004)

*Belief system and action that been completed with ethics/*akhlaq*.

Common Ethical Values in Islam

NO	VALUES	RELATED QURANIC VERSE
1	trustworthy	“Truly, Allah commands you to hand back your trusts to their (rightful) owners...” (Al-Nisa’:58)
2	cooperative	“...Help one another in furthering virtue and God-consciousness, and not in what is wicked and sinful...” (Al-Maidah:2)
3	caring	“...you dealt so leniently with them (your companion and followers). Had you been stern and hard-hearted, they would surely have deserted you...” (Ali ‘Imran:159)
4	discipline	“And now, We have set you (O Muhammad and sent you) to help establish a way of religion (complete) constituting rules of religion; so you follow that way and do not yield to the desires of those who are ignorant (of the truth)” (Al-Jathiyah:18)
5	clean	“And your garments, cleanse them. And from all evil shun” (Al-Muddaththir 4-5)
6	thankful	“And (remember) when your Lord proclaimed: “Indeed if you are grateful, I will bestow more upon you, and if you deny My favours, know that My punishment is terrible indeed” (Ibrahim:07)

Common Ethical Values in Islam

NO	VALUES	RELATED QURANIC VERSE
7	responsible	“He who does what is good, does it for the benefit of his own soul; and he who commits evil does so at his own peril. And your Lord is never unjust to His servants” (Fussilat:46)
8	honest	“Yet they were not commanded but to serve Allah offering Him sincere devotion, being true in faith...” (Al-Bayyinah:5)
9	moderate	“Say; O People of the Book! Do not overstep the bounds of truth in your religious belief...” (Al-Ma'idah:77)
10	committed	“So when you have finished (doing a good deed) resume your toil (doing other good deeds)” (Al-Insyirah:07)
11	just	“O Dawud, We have made you a vicegerent on earth: Therefore pronounce judgement with justice among men (in accordance with the sacred law which has been revealed to you)...” (Sad:26)
12	careful	“O believers! If a wicked person brings you a piece of news, inquire first into its truth, lest you should wrong others unwittingly and repent of what you have done” (Al-Hujurat:6)

Common Ethical Values in Islam

NO	VALUES	RELATED QURANIC VERSE
13	kind	“...and be good (to others) as Allah has been good to you (by giving you more than what you needed, and do not seek mischief in the land. Allah does not like the mischief-makers” (Al-Qasas:77)
14	knowledgeable	“...Allah will raise to high ranks those who have faith and those who have been granted knowledge among you...” (Al-Mujadalah:11)
15	considerate	“Would you enjoin righteousness on others and forget it yourselves? Yet you study the Book of Allah?Have you no sense?(Al-Baqarah:44)
16	leadership	“O believers! Obey Allah, and obey The Messenger and those entrusted with authority among you...” (Al-Nisa’:59)
17	facilitative	“Allah wants (always) to lighten your burdens (from his laws), for man was created weak” (Al-Nisa’:28)
18	advising	“Call men to the path of your Lord (O Muhammad) with wisdom and good exhortation. Reason with them in ways that are best and most gracious...” (Al-Nahl:125)
19	forgiving	“...(rather) let them pardon and overlook their mistakes. Do you not wish Allah to forgive you? And Allah is most forgiving, Most Merciful” (Al-Nur:22)

Common Ethical Values in Islam

NO	VALUES	RELATED QURANIC VERSE
20	progressive	“...Allah surely does not change the condition of a people until they change what is in their hearts...” (Al-Ra’d:11)
21	transparent	“O believers! Do not consume (use) your wealth among yourselves illegally (such as by means of cheating, gambling and others of illegal natures), but rather trade with it by mutual consent...” (Al-Nisa’:29)
22	unity	“Truly the believers are brothers. Make peace among your brothers (who are fighting); and remain conscious of Allah, so that you may be shown mercy” (Al-Hujurat:10)
23	patient	“And bear patiently with what they say (of words from among your opponents), and leave them with noble dignity” (Al-Muzzammil:10)
24	consultative	“And also (better and more enduring for) those who answer to the command of their Lord and establish regular prayer and conduct their affairs by mutual consultation...” (Al-Syura:38)
25	systematic	“Truly, Allah loves those who fight for His cause in ranks as if they were a solid cemented edifice” (Al-Saff:4)

Universal Islamic Value System

- (i) Human being is a trustee of the earth,
- (ii) Work as an act of worship (*ibadah*) to Allah,
- (iii) Al-Qur'an and al-Sunnah are principal sources of human knowledge,
- (iv) Human interaction with the environment,
- (v) Concept of reward and punishment in Islam

This universal Islamic value system is moulded by the concept of faith (*iman*), been translated into practice (*islam*), and completed by ethics (*ihsan*).

For non-Muslim

- Based on verse Al-Qur'an, al-Baqarah:256; “There shall be no compulsion in religion (in becoming a Muslim)” and *lakum dinukum wa liyadin* - Relationship with God (spirituality & religiosity)
- Challenge to Muslim is to enhance *da'wah* attracting to Islam because Islam is the only religion recognised by Allah s.w.t. (Al-Ma'idah:3)
- The paper is proposing a Code of Practice that is common to all construction industry players.

Thank you...