

Effects of Unethical Behavior Among Professionals in Klang Valley Construction Industry

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ABSTRACT

Professionals are integral to the project. However, conflicts of interest among professional such as clients and contractors, project managers, architects play an important role in unethical practices that have an adverse effect in the construction industry. Therefore, this study aims to identify the effects of unethical issues that occur among the professionals in Klang Valley construction industry. The data collection has been conducted via questionnaire survey and has been analyzed using SPSS. Most respondents agree that "Delay of construction project" is the main effect of unethical behavior with a mean of 4.36 and SD= 0.848. When a project is delayed, it would cause major problems such as project abandonment, cost overrun, conflicts against parties and poor-quality works. This is because a project depends on the cost and time in order to be completed. Furthermore, a delayed project leads to a rushed project that will cause defective works. Frequent maintenance will be needed for repairing works, thus increasing the cost to bear in the project itself. Lastly, it is recommended that the timeframe for future studies should be increased to allow researchers to have sufficient time to collect more data in order to improve the accuracy and reliability of data collected.

Keywords: Professionals; unethical behavior; construction industry; effects; Klang Valley

INTRODUCTION

According to former Prime Minister, Tun Dr Mahathir Mohamad in the year 1990, Malaysia has to strive not only in the economic industry but also in socialism, political peace, government system and the standard of living in order to make Malaysia a developed country. However, in the year 2020, Malaysia has not yet achieved the success of becoming a developed country according to Vision 2020 (Yeap 2021).

The construction industry can play a significant and efficacious role in this respect, broadening backward and forward ties with other industry of the economy. The industry offers socio-economic infrastructure for industrial development and production as well as rudimentary services such as buildings, roads and highways, airports and hospitals, dams, power supply and generation, communication networks and other facilities that are critical for the establishment of the social standard of living of Malaysia. Professionals typically are associated with a code of conduct set by the professional bodies. Professionals are required to meet the ethical standards, performance, efficiency and training in order to stay within the profession (Professional Practice 2020). The quality and actions

manifested by these professionals is a factor that dictates the long-term impact of the development of the construction industry. Professionals for instance consultants and clients, contractors and engineers, project managers, architects and quantity surveyors are some of professionals that exists in the construction industry.

According to Akinrata et al. (2019), ethics is the philosophical branch that explores morality and the mindsets that guide human behaviour. Day by day, unethical behaviour and practices have been used so often it has become a norm in the sector. Adah (2020) revealed that the construction industry has been engaged in unethical activities which can be traced to professionals involved in the industry for a very long period of time. The construction industry is, without doubt, a high-risk industry subjected to the highest level of corruption according to the Malaysian Anti-Corruption Commission (MACC). Unethical behaviours come in many forms for instance bribery for personal gain, licensing issues, executing a project not in accordance to approved drawing plans, embezzling funds, hiring illegal immigrants or meddling with construction claims. The construction industry in

Malaysia can no longer afford to sacrifice the economy further due to the Covid-19 pandemic. New Straits Times

revealed that the pandemic has caused a lasting impact on the construction industry, which have been said to suffer a loss of RM18.5 billion during the first Movement Control Order (MCO) from March 18 until April 28, 2020 (Harun & Razak, 2020). Unethical behaviours in the construction sector are one of the factors that causes unreliable and unsafe projects in terms of building and design failure and poor product quality (Adah, 2020). Moreover, Maseko (2017) revealed that unethical behaviour corrupts the image of the company, industry and nation, hence developing trust issues against parties involved. Therefore, this study contributes to deepen the knowledge by investigating the effects on unethical behaviour in the construction industry in hope to improve the standard, effectiveness and efficiency, economic stability and determine the success of the construction industry.

METHODOLOGY

Quantitative method that uses the statistical approach and analysis by using numerical data through close-ended questions was adopted in this study. For this study, quantitative methodology is adopted to collect data from the professionals based on their perceptions and experiences of unethical behaviour in the construction industry. Questionnaire surveys was distributed out to related professionals in the construction industry. According to Yap et al. (2020), questionnaire surveys can cover a large number of respondents and obtain data from a wide range of perceptions from respondents in a short period of time. A five-point Likert scale is adopted for the questionnaire design because the Likert Scale is one of the most commonly used method to collect data meaning that it makes it easier for the respondents to understand. Likert scale is also chosen because it is easier to work with when it comes to quantitative data to be analysed through SPSS software. The Likert scale represents the level of satisfaction of the respondents based on the effects of unethical behaviour in the construction industry by using (1: Strongly disagree, 2: Disagree, 3: Neutral, 4: Agree and 5: Strongly agree). The first stage of this research is the identification of the problem statement, research aim and objectives followed by literature review on previous researches as the second stage. Identification of research methodology which chooses the suitability of the type of methodology to use in this research is the third stage. Collection of data is the fourth stage of the research design. Finally, the fifth stage of this research will be analysing and interpreting the data collected. This is done by using SPSS software version 26 for Windows 10.

The sampling design for this research includes defining the target population, sampling frame and location, sampling size and selecting the sampling method. For this research, the target population focuses on the working-class citizens that are working in the construction industry related fields such as engineering companies, property developers, consultancy companies, contracting companies and so on.

The sampling frame for this study is the professionals in the construction industry that includes consultants, contractors, clients, engineers, project managers, safety officer and quantity surveyors within Petaling Jaya, Klang Valley area. In this research study, 150 questionnaire surveys were distributed out and 116 (77.3%) responses were collected – a sample size more than 100 being considered adequate for a reliable and valid analysis. Respondents of any position in the company ranging from junior to manager position are included in the targeted respondents despite their nature of company, position, working experience, academic qualifications and income level.

SPSS Software is adopted for the method of analysis of data collected for this study. With SPSS software, it is easier to understand and analyse data as well as validate assumptions and draw accurate conclusions. Cronbach's alpha method which is a reliability analysis is used as the data analysis method using SPSS software. Cronbach's alpha method is a commonly used method to measure the reliability or in other words, internal consistency of data (Glen, 2021). The alpha value varies within the range between 0 to 1. If the alpha value is equal or more than 0.07, it is deemed acceptable in this study whereas if the alpha value is less than 0.07, it is unacceptable for this study. A higher Cronbach's alpha value implies that the collected data are interconnected with each other.

RESULTS AND DISCUSSION

A total of 116 responses were obtained from the questionnaire survey. The data collected in this study is analysed using the reliability test. The reliability test is done by using Cronbach's Alpha Coefficient to test the reliability and validity of the data collected by using SPSS. First and foremost, the demographic profile of the respondents with their corresponding means and standard deviation are collected. The demographic profile of the respondents consists of nature of company, position, working experience in the industry, academic qualifications and the income level per month. A total of 33.6% of the respondents works at a property developer company followed by consultant and contractor nature with the same with a percentage of 32.8% and lastly, 0.9% for other nature of company. Next, in the position section, a total percentage of 48.3% in the number of responses are associates in the company followed by managerial position of 27.6%, senior managerial position of 11.2%, 5.2% in executive position, 4.4% in others and finally the position of director with 3.4%. Apart from that, 37.1% of the respondents have a working experience in the range of 6-10 years, 34.5% in 1-5 years, 13.8% in 11-20 years, 10.3% for 20 years and above and lastly 4.3% for working experience less than 1 year. In terms of academic qualifications, 75% of the respondents acquired a bachelor's degree, master's degree of 16.4%, 4.3% in diploma, a-levels and foundation level followed by doctorate of 3.4% and

lastly 0.9% in high school. Last but not least, 38.8% of the respondents have an income of RM 3,001 to RM 6,500 per month while 35.3%, 13.8% and 13.8% of the respondents have an income level per month of RM 6,501 to RM 10,000, RM 10,001 and above and RM 3,000 and below respectively.

TABLE 1. Mean and ranking of the effects of unethical behaviours in the construction industry.

| Effects | Level of Agreement | | | | | Mean | SD | Ranking |
|---|--------------------|----|----|----|----|------|-------|---------|
| | 1 | 2 | 3 | 4 | 5 | | | |
| Project delay | 1 | 3 | 13 | 35 | 64 | 4.36 | 0.848 | 1 |
| Cost overruns | 2 | 1 | 13 | 52 | 48 | 4.23 | 0.817 | 2 |
| Defective works in a construction project | 2 | 1 | 19 | 49 | 45 | 4.16 | 0.851 | 3 |
| Risking the safety of public and workers | 2 | 2 | 32 | 42 | 38 | 3.97 | 0.913 | 4 |
| Underdevelopment of nation | 1 | 7 | 20 | 56 | 32 | 3.96 | 0.879 | 5 |
| Loss of trust and satisfaction of client | 1 | 11 | 39 | 35 | 30 | 3.71 | 0.987 | 6 |
| Project failure | 5 | 8 | 41 | 35 | 27 | 3.61 | 1.053 | 7 |
| Project abandonment | 5 | 13 | 39 | 36 | 23 | 3.51 | 1.067 | 8 |

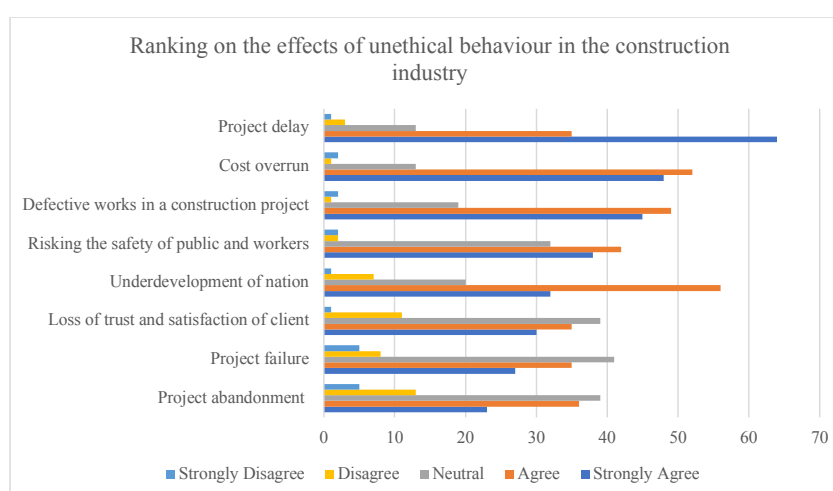


FIGURE 1 Ranking on the effects of unethical behaviour in the construction industry

The Cronbach's Alpha coefficient for this study is 0.831 for a total of 8 items which falls in the range of $0.9 > \alpha \geq 0.8$. This range indicates a level of good. Hence, the data collected through the questionnaire survey can be classified as valid and reliable for this study. The results consist of the mean and standard deviation of each question for a better understanding and opinion of the respondents on each question. The respondents have answered the questionnaire survey based on the Likert Scale in which 1: Strongly disagree, 2: Disagree, 3: Neutral, 4: Agree and 5: Strongly agree. Table 1 shows the summary of the mean and ranking of the effects of unethical behaviours in the construction industry.

Based on Table 1 and Figure 1, respondents have revealed that the main effect of professionals to undergo unethical behaviours in the construction industry is the "Delay of construction project" (with a mean of 4.36, SD=0.848). Most of the respondents chose 5 (agree, 55.2%) on the Likert Scale. This shows that more than 50% of the total respondents agree that the statement is the main effect of this study. The low value of standard deviation indicates that the data are congregated around the mean which means that

the data is reliable. This shows that respondents agreed that unethical acts in the construction industry would cause the project to be delayed that is caused by any complications when undergoing unethical behaviours. A delay in the project is strongly discouraged in a construction project because it affects the completion, expenses and quality of a project negatively. Every construction project is expected to reach a certain deadline set by the client. Hence, a delay in project defines as the failure to complete the project on time as agreed in the contract and the root that causes cost overrun (Rahman, 2018). A delay in the project will take up extra time which ranges from weeks, months and some even years. A delayed project will be succumbed to a rushed project which will then result in poor workmanship and poor quality that will require frequent maintenance work therefore causing further project delays and cost overrun (Adah 2020). Hence, clients would be satisfied with the project because not only the deadline could be met, the completed work possess quality in comparison to the budget allocated.

Next, "Cost overrun" (mean=4.23, SD=0.817) is a probable effect because unethical acts can cause the project

to be overbudgeted (Yee, 2019). Most of the outcomes of unethical behaviour by professionals in the construction industry eventually leads to cost overrun such as project abandonment, defective works, development of the industry and the delay of a project. This is because a construction projects run on a large sum of fund or money that is prone to unethical acts such as embezzlements and dishonesty. Besides that, “Defective works in a construction project” (mean=4.16, SD=0.851) can be commonly seen in most construction projects such as material cracking or major deflections in elements in a building that can decrease the building lifespan, loss of public trust and dissatisfaction of clients (Adah, 2020). The works undergone in the construction industry has a tendency to be hidden due to its ease of concealment. When works within the industry is defective such as poor workmanship or poor material quality, parties involved can easily conceal them from inspection (Yee 2019). In simpler words, the reduction of building lifespan will not only lead to structural failure or cracks but can also result in harming the safety of the public. In accordance with this, the overall construction cost will increase above its budget due to the rectification and modification of the defective works. Besides that, “Risking the safety of public and workers” (mean=3.97, SD=0.913) could cause harm to an individual due to negligence acts in a project (NST, 2020). The results of defective work or structural failure of a project will bring harm to the safety of public and workers. This is because the act of negligence of an individual by not abiding to the safety rules and regulations while constructing a project will lead to major and minor accidents. In more serious cases, some of the accidents might be fatal.

The effect “Underdevelopment of nation” (mean=3.96, SD=0.879) interrupts the relationships between international and local investors, abrupt financial help from international companies and disrupts the free play of market forces that would worsen the economic condition of Malaysia (Akinrata et al. 2019). Unethical behaviour by professionals within the construction industry has an adverse effect on the development of the nation in terms of economic and country development of the nation. When unethical behaviours such as dishonesty and embezzlements exist in a construction project, the funds and expenses of the project will decrease. When this happens, investors that have invested in the project will lose money too hence destroying the trust between the investor and the construction organization. Due to this, investors are not willing to invest in future projects causing the construction industry to put a halt in the development of the industry and nation. Maseko (2017) stated that unethical behaviours do not only tarnish the image of the company but also the nation. This will affect the global market in the construction industry as other countries may see Malaysia as a corrupted nation. Furthermore, the “Loss of trust and satisfaction of client” (mean=3.71, SD=0.987) clearly states that unethical acts executed by a certain company encourages clients to cut ties with that company (Adah 2020). No client would want to associate their company with a dishonest

company to avoid losing money as well as being cheated on. Clients associating with such companies will also end up tarnishing the name and image of their own company which will not bring any advantages to themselves. Next, “Project failure” (mean=3.61, SD= 1.053) often occurs due to defective works being carried out that intends to bring harm to the public (Adah 2020). Defective works such as cracks, deformations or deflections would cause the building itself to be unstable and inappropriate for the humans to use over time. Project failure can be devastating news because not only will it cause harm to the public but also could eventually lead to project abandonment causing a huge loss of sum of money, time and effort in constructing that project.

Last but not least, the effect of unethical behaviour with the lowest mean is “Project abandonment” (with a mean of 3.51, SD= 1.067). Many of the respondents chose 3 (neutral, 33.6%) on the Likert Scale. The high standard deviation value indicates that the data collected are more dispersed as many of the respondents have chosen 1 to 5 on the Likert Scale. This proves that the respondents do not completely agree that project abandonment often occurs during a construction project regardless of the existence of unethical behaviour or not. Project abandonment have a major impact on the economy, development as well as the well-being of the public. Take for instance, if a road construction project is abandoned and the road is not well-built or completed, this could lead to more road accidents risking the safety of public. Therefore, the increase of project abandonment will increase the percentage of the nation being underdeveloped, wastage of time and expenses and economy damage (Maseko 2017). However, project abandonment is a very difficult decision to make in the industry unless the project has insufficient funds, poor marketing strategies and controversy among professionals or if the authorities decided to stop the project from proceeding further if too many accident cases occur (Kaur, 2018). Other than that, project abandonment is the last resort in a construction project.

CONCLUSION

In a nutshell, the findings of the effects of unethical behaviour in the construction industry are concluded and summarized. The objective of this study to investigate the effects of unethical behaviours in the construction industry has been successfully achieved. It is proven that the construction industry still acts as a breeding ground for unethical behaviour up to this day regardless of the construction industry being the backbone of the economic and social development of the nation. Studies have proven that unethical behaviour by professionals in the construction industry have several effects that could negatively impact the development of the industry and the success and quality of a project. This study identifies the major effects from the execution of unethical behaviours as being the underdevelopment of nation, delay of project, defective

works in a project, failure of the project, risking the safety of public and workers, loss of trust and satisfaction of client, abandonment of project and lastly cost overrun. From the results obtained from the data collected through the questionnaire survey and SPSS software, the “Delay of construction project” is recorded as the most impactful effect with a mean of 4.36 and a standard deviation of 0.848. To clarify, when a project is delayed, it would cause many major problems such as project abandonment, cost overrun, conflicts against parties, defective and poor-quality works. This is because a project depends on the cost and time in order to be completed. Therefore, this study has proven that unethical behaviour in the construction industry leads to the delay of a project that will eventually cause other negative impacts on a project. This study has provided a deeper understanding and hopefully an eye opener to individuals towards the negative impacts that can be caused by unethical behaviours in the construction industry. It is highly recommended that the timeframe for future studies to be conducted should be increased as it can provide researchers sufficient time to collect more data in order to improve the accuracy and reliability of the results.

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DECLARATION OF COMPETING INTEREST

None

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