

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

**BUSINESS ETHICS IN THE CONSTRUCTION INDUSTRY: A
COMPARATIVE STUDY OF NIGERIAN AND GHANAIAN BUSINESS
ENVIRONMENTS**

BY

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DECLARATION

I hereby declare that this thesis is a presentation of the findings of my research work done under supervision and works of other authors used have been duly

acknowledged.

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DEDICATION

I dedicate this piece of work to God Almighty.

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My foremost appreciation goes to my wife for her prayers, understanding and support during this programme.

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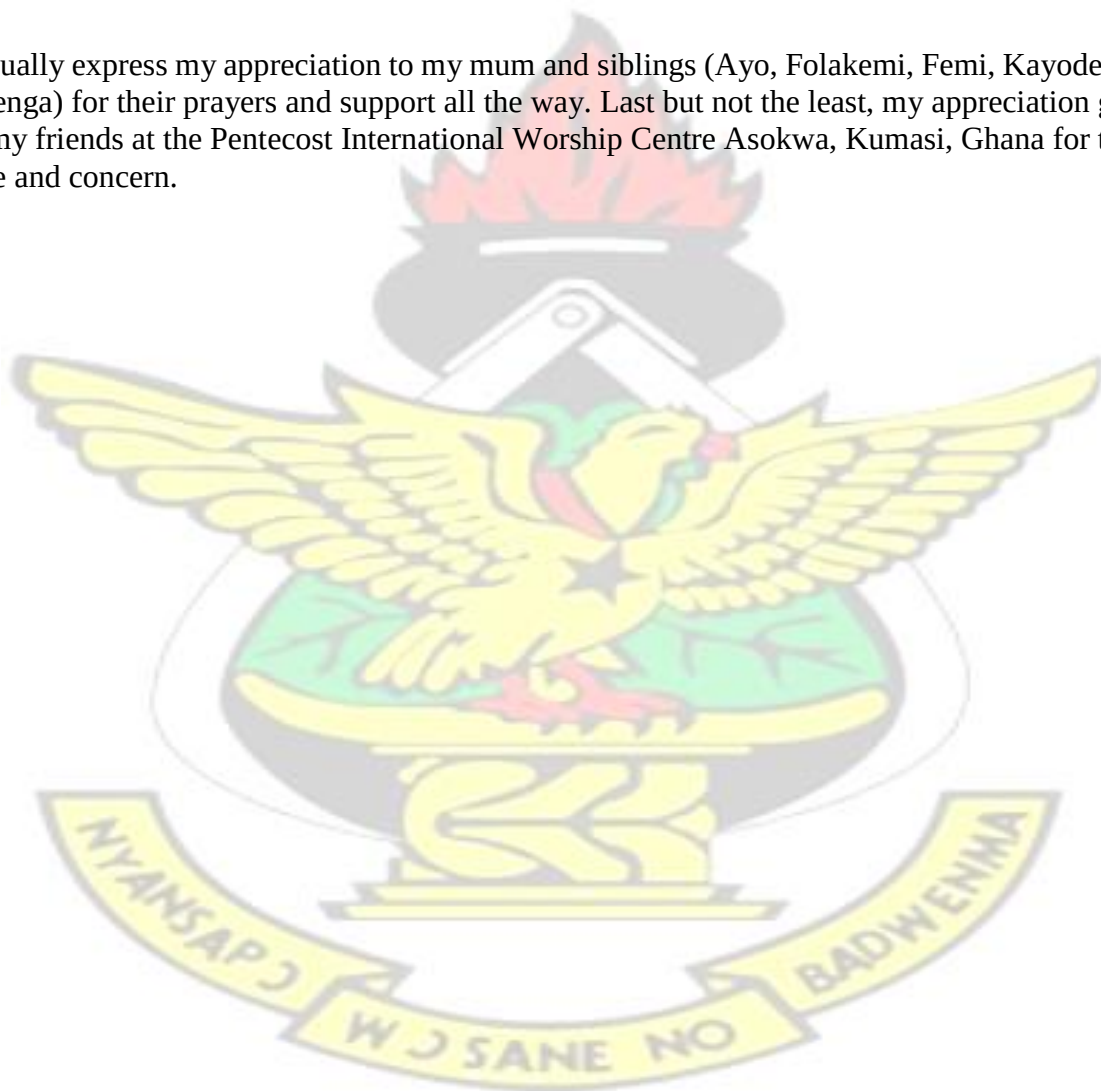


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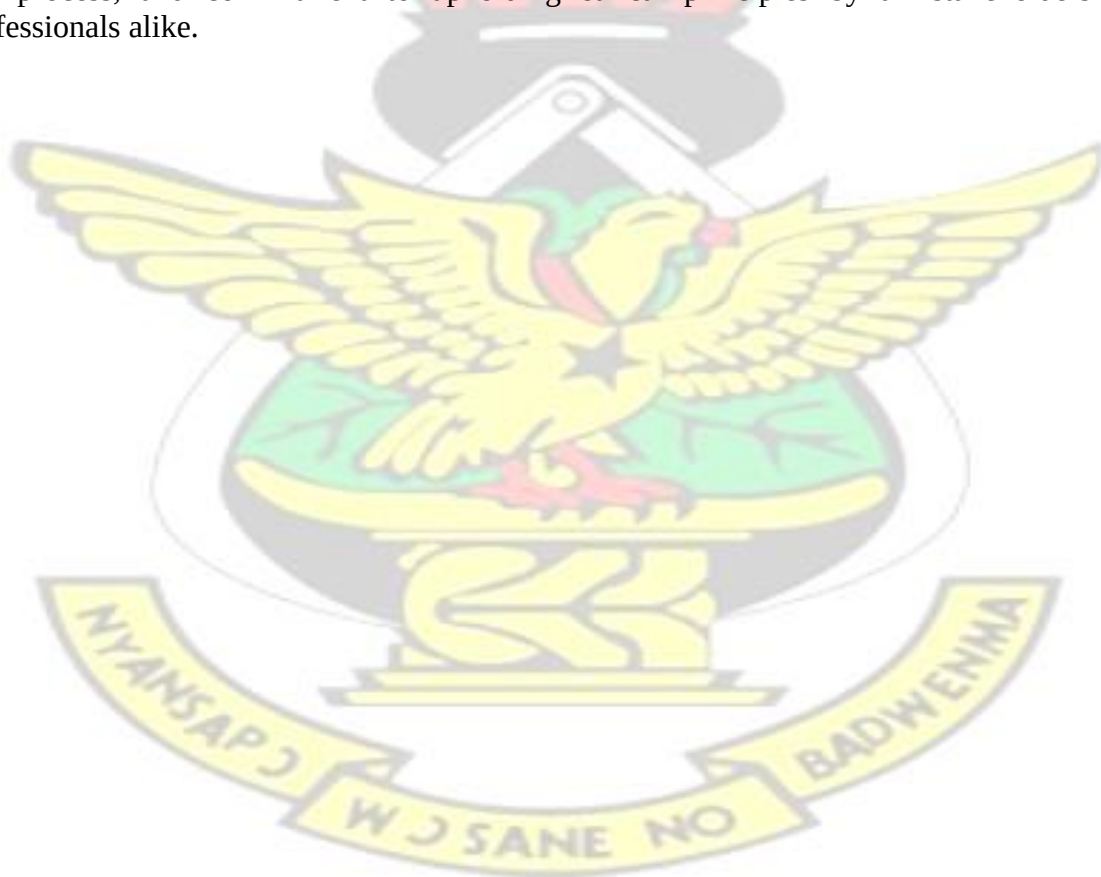


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ABSTRACT

unethical conduct have been observed to be a major factor affecting the delivery of quality service and infrastructure in the construction sector of developing nations and these perceived unethical behaviours also vary from one society to another. The benefits that accrue from the construction industry to the GDP of developing nations cannot be over-emphasized. In view of the pivotal role that the construction industry plays in a nation, there have been calls for appropriate ethical conduct by all to ensure the desired objectives are met. This thesis highlights the comparison made between the perception of stakeholders and professionals in the construction industry of Nigeria and Ghana about the prevalence of unethical conducts in the industry. The comparisons have been based on the results of a research carried out through questionnaire survey administered in both countries. 100 questionnaires were administered in each country and the results analyzed using SPSS software. The results indicated that majority of the respondents from both countries agreed that unethical practices tend to increase the cost of construction and that government needs to intensify efforts in curbing the menace which include; bribery, unfairness in tendering process, over-billing, gifts and meals, compromise on quality, fraud and negligence of professional responsibility. This study recommends that there should be: less or no political interference in the entire contract award process, adherence to due process, and commitment to upholding ethical principles by all stakeholders and professionals alike.



CHAPTER ONE

INTRODUCTION

1.1 Background of Study

The construction sector of any nation has the capacity of providing thousands of jobs for the teeming population and brings about giant developmental strides when properly managed (CIC, 2012). The industry is fundamental to a nation's quest for economic and social development. Construction industry is a key industry, the growth of which will stimulate growth in other sectors and will also lead to reduced dependence, a more integrated economy and the supply of more basic needs for the population (Wells, 1986). For instance, the Construction Industry Council of the United Kingdom (CIC) in its 2012 strategic forum reported that; the UK construction industry has an annual turnover of more than £100billion and accounts for 10% of the country's GDP. The industry employs some two million people and is five times the size of the aerospace industry. Below is a table indicating the contribution of construction industry to the GDP of some countries in Africa.

S/No	Country	Construction Industry Contribution to GDP	Source
1	Ghana	8.5%	Ghana Statistical Services (2010)
2	Kenya	14.6%	Kenya National Bureau of Statistics (2010)
3	Nigeria	1.4%	Vetiva Report (2011)
4	South Africa	3.1%	Statistics South Africa (2010)

Table 1.1 Construction Industry contribution to GDP

The Malaysian construction industry makes a significant contribution to the quality of life in the country. Over the past decade, the sector annually accounted for about 3-5% of the Gross Domestic Product and provided employment for about 10% of the total labour force. In addition, the construction industry also realizes many aspects of government policies aimed to develop the nation (Construction Industry Development Board of Malaysia, 2007).

As beautiful as these may seem, the construction industry is beleaguered with myriads of problems; key among them is the issue of unethical conduct by the players in the industry in the course of discharging their statutory duties. These perceived unethical conducts varies from one society to another. In a survey conducted in the South Africa construction industry, Bowen *et al.* (2007) reveals that collusion, bribery, negligence, fraud, dishonesty and unfair practices are major problems encountered. Similarly, Vee and Skitmore (2003) reports that in the

Australian construction industry, respondents to the ethical survey conducted had witnessed or experienced some degree of unethical practice in the form of unfair conduct, negligence, conflict of interest, collusive tendering, fraud, confidentiality and propriety breach, bribery and violation of environmental ethics. Various researchers attested to this fact in the survey conducted in the US, Malaysia, Pakistan, and Nigeria (FMI/CMAA, 2004; Abdul-Rahman *et al.* 2010; Ehsan *et al.* 2009; Oyewobi *et al.* 2011).

In view of the pivotal role that the construction industry plays for a nation, there have been calls for appropriate ethical conduct by all to ensure the desired objectives are met. It is important to adopt ethical principles and enforce same in the construction industry because the work environment is becoming more ethic sensitive and the credibility of the profession is endangered when lapses in ethical behaviour is prevalent, Abdul-Rahman *et al.*, (2010).

1.2 Problem Statement

Unethical practices have been endemic in the construction sector of many nations of the world. In any sector of the economy, ethics is one of the key ingredients for the efficient and effective delivery of service. The quality of work done in the construction industry is largely dependent on the ethical behaviour of the players.

Transparency International (TI) in its 2005 Global Corruption Report reveals that corrupt contracting processes leave developing countries saddled with sub-standard infrastructure and excessive debt. The report stressed further that corruption raises the cost of infrastructural development and lowers the quality of job done. Oyewobi *et al.* (2011) reveal that unethical issue such as corruption is a major problem that plagues developing countries; it eats deep into the fabric of public morality and results to plundering of limited national resources. Nigeria and Ghana, which are the countries for case studies for this thesis, are not left out in the perceived unethical conducts within the construction industry; the Corruption Perception Index (CPI) in 2011 for Nigeria and Ghana is 2.4 and 3.9 respectively (TI, 2011). According to Transparency International, the corruption perception index ranks countries based on how corrupt their public sector is perceived to be. A country score indicates the perceived level of public sector corruption on a scale of 0 – 10 (zero to ten), where 0 means that a country is perceived as highly corrupt and 10 means that a country is perceived as very clean. Dealing with unethical conducts within the construction industry seems to be a herculean task for the authorities. Measures put in place hitherto to check unethical practices have proved abortive. With this situation in mind, this study intends to compare and contrast the perceived level of unethical conducts that may exist in the Ghanaian and Nigerian construction industry. This thesis seeks to examine the dynamics of the business environment in Nigeria and Ghana as it affects the construction industry. Particular reference is to how business ethics is complied within the industry under consideration.

1.3 Research Objectives

In aiming to solve the problem stated above, the study will attempt to accomplish these objectives.

- To ascertain the level or levels of perceived unethical conduct in the construction industry of Nigeria and Ghana and then; compare and contrast the resulting perception.
- To evaluate the measures put in place to curb unethical practices in the construction sector of both countries.
- To examine the cost of unethical behaviour to project owners and beneficiaries.
- To examine a typical case study of unethical practice in each country.

1.4 Research Questions

- What is the level of perceived unethical conduct in the construction industry of Nigeria and Ghana?
- What are the measures put in place to check unethical practices in the construction sector of Nigeria and Ghana?
- What is the cost of unethical behaviour to the project owners and beneficiaries?
- What empirical evidence exists on ethical or unethical conduct claims in each country?

1.5 Significance of the Study

The research was undertaken to compare and contrast the perceived ethical level in the construction industry of Nigeria and that of Ghana. The comparative nature of the research is meant to provide more insights into the similarities and differences between the Nigerian and Ghanaian business environment in relation to unethical practices within the construction industry. This study would be beneficial to the government (executive, judiciary and

legislative arm of governance) of Ghana and Nigeria and other various policy formulation stakeholders in the construction industry, on how to reduce unethical practice plaguing the industry from the conception to commissioning stages of a construction project. This would include activities of participating ministries, agencies, municipal and district assemblies, construction companies, etc. Secondly, professional institutions that are involved in the construction industry of Nigeria and Ghana would find this research handy in their quest to fight the unethical menace that plagues the industry as a result of the activities of some unscrupulous professionals.

Thirdly, foreign investors that may choose to invest in the construction industry of these countries would find this study as a guide on how ethical standards are upheld.

1.6 Scope of the Study

The research intends to look at the perception of major players in the construction industry of Nigeria and Ghana. It is worthy of note that the questionnaire would be administered in two major cities of Ghana (Accra and Kumasi) and also in two major cities of Nigeria (Abuja and Lagos).

1.7 Overview of Research Methodology

Since this thesis is comparative in nature, quantitative approach of information gathering would be used. Ethics is all about people's perception on what they feel is right or wrong. Therefore, questionnaires would be administered to respondents of both countries (Nigeria and Ghana) by hand delivery and collection method. The respondents are professionals, contractors (CEO of construction companies), government officials, and other various stakeholders within the construction industry. The result gotten from the survey will be analyzed using the SPSS software; thereafter, comparisons would be made to ascertain the perceived difference of the two nations. Relevant data from books, journals and respected organizations would equally be used to buttress the findings of the survey.

1.8 Organization of the Study

The thesis has been divided into five chapters which intend to present the purpose and findings of the research in a comprehensive manner. Chapter 1 gives the introduction and insight into the research topic and shows what the study is set to achieve. Chapter 2 is basically the literature review which bring to fore past works on the subject matter while chapter 3 provides detailed information on the research design, sources of data, population and sample frame, sample size, sampling technique, data collection instruments, and methods to use in analyzing the data. Chapter 4 will comprise of data processing, analyses, and discussion which would be displayed in charts and tables. The interpreted results would help in making recommendations and conclusions in chapter 5 and provide a summary of the

findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews various scholarly articles, books, journals, and publications on business ethics and the way it impacts activities in the construction industry. The review includes; the concept of business ethics, relationship between personal and professional ethics, an overview of the role of the construction industry to a nation's economy, unethical practices in the construction industry, mitigating the scourge of unethical conduct in the industry, and code of ethics. This literature review is not exhaustive but it gives a good insight into the

discourse.

2.2 What is Ethics?

Many researchers and philosophers have debated over the years about the origin of ethics. They have deduced and concluded that ethics originated from God and religion, human conscience and intuition, a rational moral cost-benefit analysis of actions and their effects, a desire for the best for people in each unique situation, and political power (Hare, 1989). He went further to say that ethics covers dilemmas such as; how to live a good life, our rights and responsibilities, the language of right and wrong, and moral decisions (what is good and bad).

The term ethics is derived from the Greek word *ethos* which means custom, habit, character or disposition. Ethics as defined by the Encarta Encyclopedia is a system of moral principles governing the appropriate conduct for an individual or group. The Construction Management

Association of America and Falls Management Institute (CMAA/FMI) defined ethics as: the discipline dealing with what is good and bad about moral duty and obligation, a set of accepted moral principles and values about what ought to be, a theory or system of moral principles governing the appropriate conduct for an individual or group, and a code of morality. Ethics is also seen as moral philosophy. A discipline concerned with what is morally good and bad, right and wrong. The term also applies to any system or theory of moral values or principles (Singer, 1985). At the heart of ethics is a concern about something or someone other than us and our own desires and self-interest. Ethics is concerned with other people's interests, with the interests of society, with God's interests, with "ultimate goods", and so on. So when a person 'thinks ethically' they are giving at least some thought to something beyond them (Hare, 1989).

2.3 Theories of Ethics

There are many theories of ethics that has been propounded by various researchers; key among them are Immanuel Kant, Jeremy Bentham, John Stuart Mill, Judith Martin, Henry Sidgwick, Aristotle, and Socrates (Singer, 1985). For the purpose of this study, I would be looking at nine theories of ethics.

2.3.1 *Consequentialism*

This theory maintains that the majority of an action depends on the non-moral consequences that the action brings about. Dearing (2009), defined consequentialism as an ethical doctrine according to which a fact is good only if it has good consequences. He stated further that the consequentialist moral systems are usually differentiated into act – consequentialism and rule-consequentialism: where act-consequentialism argues that morality of an action is dependent upon its consequences while rule-consequentialism on the other hand argues that focusing only on the consequences of the action in question can lead people to committing outrageous actions when they foresee good consequences. He concluded by saying that consequentialism is a form of teleology (the study of goals, ends and purposes). According to the North Arizona University (NAU) in the USA, Consequentialism is also categorized into three parts, namely:

- Ethical egoism – states that you should always act so that your actions produce what is in your own best long-term interests.
- Personal egoism – states that an individual should always act in his or her own best long-term interest, but that does not say how others should act.
- Impersonal egoism – states that an individual should always act in his or her own best long-term interest.

2.3.2 *Philosophical Relativism (Values Clarification)*

This theory teaches that the most important aspect is not what one believes, but being aware of one's feelings, belief, and value systems. A person therefore considers alternative models of thinking and acting. By acting thus and making one's own choices, one develops one's own value. The theory hinges its belief on the premise that there are no moral or ethical absolutes but rather that everything is relative (NAU). According to Newall (2005), individual relativism is the idea that people create their own moral codes separately from anyone else.

2.3.3 *Utilitarianisms*

Utilitarianism theory states that the moral standard should be promotion of the best long-term interest of everyone concerned. The theory is based on the utility principle: giving the greatest happiness to the greatest number of people. In utilitarianism, the consequences of actions are measured against one's value. This useful value can be something like happiness, welfare or pleasure. Various consequences of an act are imagined, and the outcome that helps the most people is the best choice under the circumstances (Dearing, 2009).

2.3.4 *Virtue Ethics*

Virtue ethics describes the character of a moral agent as a driving force for ethical behaviour. Proponents of virtue ethics focus on the kinds of persons we ought to be and not on knowing which rules and principles we ought to follow. Emphasis is placed on what is morally good not on what is right. Newall (2005), submits that virtue ethics theorists prefer to advocate the learning and development of character habits. He explained further that the shortcoming of virtue ethics is on the unclear ways of how to deal with moral dilemmas such as the issue of abortion and death penalty.

2.3.5 *Ethical Realism*

Ethical realism is an ethical theory hinged on the fact that unavoidable moral dilemmas occur because our world is not perfect. The imperfection is aligned with the Christian perspective of a “fallen” world since sin entered. The theory is about taking lesser of two evils when confronted with an ethical dilemma. This theory is concerned with holding values to be part of reality or having cognitive claims about it (Newall, 2005). It also states that when absolute norms come into conflict, one must decide which to follow. Each solution offers limited alternatives, so the solution which produces the less of two evils is the one to be chosen.

2.3.6 *Deontology*

Deontology is a theory derived from the writings of the German philosopher Immanuel Kant (1724 - 1804). It's a duty-based ethical stance, where one's actions are based on what is morally correct irrespective of the consequences (Pieper, 2009 as cited in Dearing, 2009). Dearing further stressed that the core principle of the theory was that, the concept of duty is at the foundation of morality. The term “Deon” comes from Greek and means duty, so in a general sense deontology is an approach to ethics that determines goodness or rightness from examining acts or the intentions of the person doing the act, as it adheres to rules and duties. According to Newall (2005), the problem with this theory would be how to find out which duties are the correct ones.

2.3.7 *Normative Ethics*

Normative ethics is also known as moral theory. It's a study or theory of ethics that is concerned with what makes actions right and wrong. The theory offered an overarching moral principle one could appeal to in resolving difficult moral decisions (Singer, 1985). Newall (2005) posits that normative ethics is the attempt to find a single test or criterion for what constitutes moral behaviour and what does not. The Encyclopedia Britannica defined normative ethics as that part of moral philosophy or ethics concerned with criteria of what is morally right and wrong. It includes the formulation of moral rules that have direct implications for what human actions, institutions, and ways of life should be like.

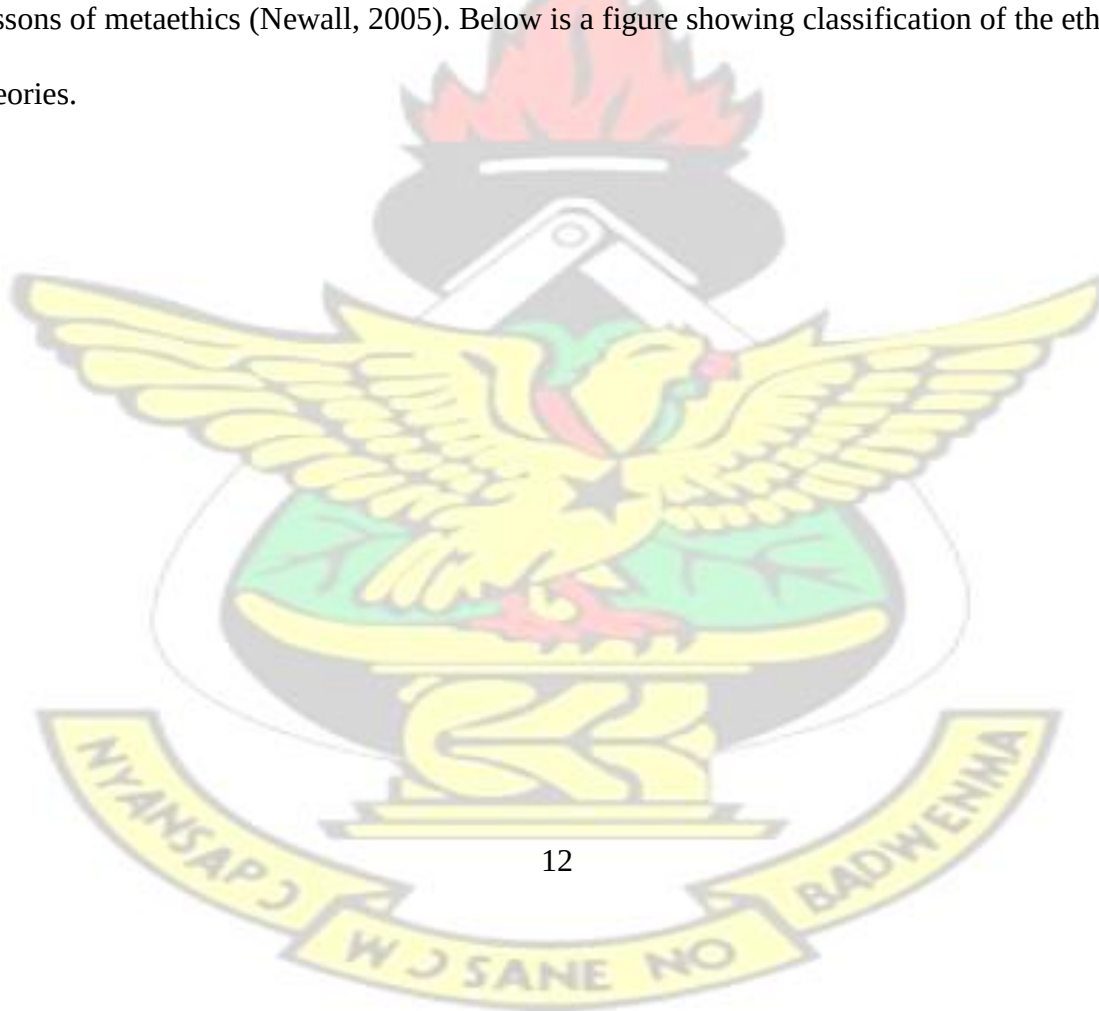
2.3.8 *Metaethics*

This theory has to do with the study of where ethical notions came from and what they mean; in particular whether there is an ethical system independent of our own opinions that could be applied to any situation at any time or place (Newall, 2005). According to Bloomfield (as cited in Dearing, 2009) there are two truths about metaethics: the Humean dogma (that 'is' statements do not imply 'ought' statements) and the Kantian dogma (that 'ought' statements imply 'can' statements).

2.3.9 *Applied Ethics*

Applied ethics is a discipline of philosophy that attempts to apply ethical theory to real-life situations. The discipline may include specialized fields such as engineering ethics, bioethics, public services ethics, and business ethics. It is also the study of specific problems or issues with the use or application of moral ideas investigated in normative ethics and based on the lessons of metaethics (Newall, 2005). Below is a figure showing classification of the ethical

theories.



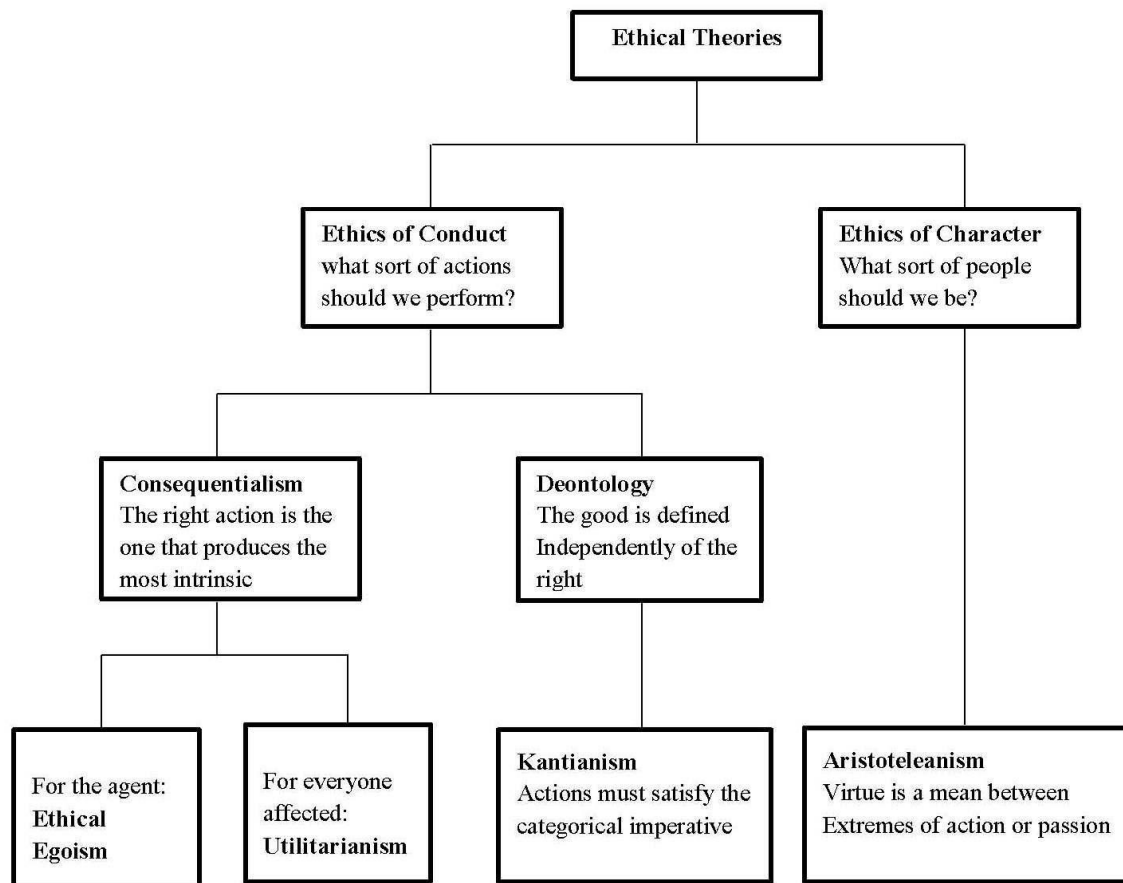


Figure 2.1 Ethical theories classification (source: www.trinity.edu.org)

2.4 Business Ethics

The field of business ethics is commonly divided into two realms – normative and descriptive ethics theories in general. Normative ethics theory deals with what the decision makers should believe to be right and wrong, and such concepts as evil and sin, as contrasted to descriptive ethics theory which deals with what the decision makers actually believe to be right and wrong, and holds up as ideals or condemns or punishes in law or politics (Ray *et al.* 1999; Bartlett, 2003; cited in Man-Fong, 2011)

Business ethics have been defined by various schools of thought depending on the perspective from which they are viewing it. According to De George (2005), business ethics is simply the application of everyday moral or ethical norms to business. He explained further that as a field, business ethics covered the ethical foundations of business, of private property, and of various economic systems. In his opinion, though the field was more concerned with managers and workers as moral persons with responsibilities as well as rights, most attention was focused on the corporation; its structure and activities, including all the functional areas of business, including marketing, finance, management, and production. Other equally important and related issues, such as the environmental impact of business actions, were also beginning to gain centre

stage as the activities of multinational corporations increased. Also, Weiss (2009) gave a similar view by saying that business ethics deals with what is right and wrong in organizational decisions, behaviour, and policies. He argued that business ethics provides principles and guidelines that assist people in making informed choices that balance economic interests and social responsibilities; being able to think of other stakeholders' interest. Business ethics is a form of applied or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspect of business conduct and is relevant to the conduct of individuals and entire organizations. Brenkert (2010) defined business ethics as a normative undertaking that seeks to provide ethical insight and guidance to individuals in business, businesses as organizations, and to the society at large. He stressed further that as a practical endeavour, it seeks to have impact on the ways in which people in business act, the policies they adopt, and the role that business plays within society. Nash (as cited in Weiss, 2009) saw business ethics as a study of how the activities and objectives of a commercial enterprise are influenced by the application of personal moral norms. Stressing further, she looked at three basic areas whereby business ethics deals with managerial decisions; choices about what the laws should be and whether to follow them, choices about economic and social issues outside the domain of law and choices about the priority of self interest over the company's interests.

Business ethics have been seen as the panacea to the corporate malfeasance and scandals being encountered in the workplace today (Salehi *et al.* 2012). Weiss (2009) submitted that there are 5 myths about what business ethics is or does to a business entity. They are;

- Ethics is a personal, individual affair, not a public or debatable matter.
- Business and ethics do not mix.
- Ethics in business is relative.
- Good business means good ethics.
- Information and Computing are amoral i.e. neither moral nor immoral.

Some authors have posited that; managers need not concern themselves with business ethics when the ultimate aim of a business is to increase its profit. "The Social Responsibility of Business Is to Increase its Profits." (Friedman, 1970 as cited in Hooker, 2003), he argued that corporate executives and directors are not qualified to do anything other than maximize profit for the firm. Friedman's idea was that, company officers somehow usurp authority when they act ethically at the expense of owners. He viewed business people as expert at making money, not making social policy and that they lack the perspective and training to address complex social problems which should be left to governments and social service agencies. Though, he stated further that, in the bid for the managers to maximize shareholders wealth, they are to act within the limits of law and work in accordance to the rules of the game which would ensure open and free competition without deception or fraud. In a counter argument, Hooker (2003) submits that managers must of course know how to recognize what sorts of

obligations are imposed specifically by business ethics and they should study business ethics alongside finance, marketing, operations, etc.

Upholding ethical standards in the course of the day – day business activity of a firm may pose a lot of challenge. Andrews (as cited in Kolasa, 2008) examines three fold challenge commonly associated with business ethics. First, developing managers as moral individuals; Secondly, building an environment in which standards and values are central to the company's strategy just as economic purpose is and thirdly, formulating and implementing policies that support ethical performance as well as safeguard to assure that they are observed. Arnold *et al.* (2010) in their pluralistic view, posits that ethical decisions should be guided by multiple standards as against the particularistic views of the role of context in determining sound moral judgements.

2.5 Relationship between Personal and Professional Ethics

A profession involves the exercising of a body of unique and expert knowledge (Fellows, 2003). Where the knowledge standards for the professionals are determined, standards of behavior in application of that knowledge are set and means for developing the knowledge (continuing professional development) are established by the professional institution to which the professional belongs to. The center for the study of ethics in the profession (CSEP) of Illinois Institute of Technology, reaffirm the obligations of a professional to include obligations to; his/her employer, clients or customers, other professionals, profession as a collectivity, and the society (responsibility to serve the public interest). Professionals have been linked with the notion of "service" thus, a profession is described as a group of people organized to serve a body of specialized knowledge in the interests of society based on the perceived relationship (Appelbaum and Lawton, 1990, cited in Abdul-Rahman *et al.* 2010).

Some ethicists are of the opinion that ethical behaviour in a profession or business should be consistent with one's personal values and the commonly held values of the organization and society (Navian, 1992; Jones, 1991; as cited in Man-Fong, 2011). Audi (2011) takes a cursory look at the relationship between ethics and virtue as a resource in business. One of the challenges for ethical business is how to strengthen these morally desirable traits in employees at all levels. How, for instance, can a sales force be trained to be clever, even at times shrewd, without sacrificing basic honesty. Greed is identified as one of the main factor contributing to unethical conduct being exhibited by players in the construction industry (Ritchey, as cited in Vee and Skitmore, 2003). Other researchers have thrown more light on the relationship between culture and ethics (Pitta *et al.* 1999; Fellows, 2003; Aliza *et al.* 2010), innovation in business and ethics (Schumacher and Wasieleski, 2011), organizational theory and business ethics (Heugens and Georg-Scherer, 2010; Greenwood and Freeman, 2011), integrity and ethics (Moynan, 2008). Aliza *et al.* (2010) are of the opinion that there is a tremendous impact of organizational culture on the ethical behaviour of people within an organization and this can indirectly manipulate the ethical behaviour of people. In the wake of the corporate scandals experienced all over the globe, researchers have advocated that business school students should be taught to be virtuous (Alsop, 2003 as cited in Kolasa, 2008).

2.6 Codes of Ethics

Codes of ethics are developed mainly for practical and professional use, supplementing the building codes and other acts of law (Ehsan *et al.* 2009). Codes of ethics are seen as controversial documents. Some researchers have suggested that codes of professional ethics are not necessary. Ladd (as cited by CSEP, 2012) argues that professionals have no special rights or duties separate from their rights and duties as moral persons. He posits that codes of ethics

are pointless and possibly pernicious, and that ethics should be reflective rather than confusing ethics with law by relying on a code of ethics. In a counter argument, Kolasa (2008) posits that adherence to values and codes of conduct by a professional are basic. Most professions have internally enforced codes of practice that members of the profession must follow, to prevent exploitation of the client and preserve the integrity of the profession. This is not only for the benefit of the client but also the benefit of those belonging to the profession. Disciplinary codes allow the profession to define a standard of conduct and ensure that individual practitioners meet this standard, by disciplining them from the professional body if they do not practice accordingly. This allows those professionals who act with conscience to practice in the knowledge that they will not be undermined commercially by those who have fewer ethical qualms. It also maintains the public's trust in the profession, encouraging the public to continue seeking their services.

2.7 The Role of the Construction Industry in a Nation

The Organization for Economic Co-operation and Development (OECD) in its 2008 policy report on the construction industry defined construction sector as; the sector of an economy or nation that is responsible for building of new houses, apartments, factories, offices, and schools. The sector also builds roads, bridges, ports, railroads, sewers, and tunnels. In addition, it maintains and repairs all of those structures and produces the basic materials such as concrete and reinforcement that are used. The benefits that accrue from the construction industry cannot be over-emphasized. The physical infrastructure built through construction activity at great expense is the nation's economic backbone as it constitutes the arteries for the facilitation of productive activity by enabling goods and services to be distributed (Ofori, 1994 as cited in Owusu-Manu *et al.* 2010). The industry contributes to the gross domestic product (GDP) of nations. It is the largest industrial employer in Europe, accounting for about seven percent of total employment, and in the EU, the US and Japan combined, it employs more than 40million people. Among all OECD countries, the construction industry accounts for an average 6.47 percent of GDP (OECD, 2008). The world construction industry is a potential employment generator and provides work for about 7 percent of the total employed person in the world (Economy watch, 2010). The writer went further to reveal that the material resources utilized in the world construction industry is staggeringly high and amount to 50 percent of the total world resources consumed.

Economic growth of every country is influenced by the construction industry due to three basic reasons (Hillebrandt, 2000, as cited in Owusu-Manu *et al.* 2010). First, Hillebrandt says that constructed items are vital to the pursuit of economic activity as they provide the space needed for the production of all goods and services. Secondly, it interacts with other industries while creating its products and services in a way that accelerates economic growth. Thirdly, the industry mainly employs unskilled, semi-skilled and skilled labour force influencing the rate of employment.

2.8 Construction Management

The Construction Management Association of America (CMAA) defined construction project management as the overall planning, coordination and control of a project from inception to

completion, aimed at meeting a client's requirements in order to produce a functionality and financially viable project that will be completed on time, within authorized cost and to the required quality standards. The association went further to submit that the function of a construction manager working on a project can be divided into seven (7) broad categories, namely: Project management planning, Cost management, Time management, Quality management, Contract administration, Safety management, and Construction management professional practice. Project management is the art of directing and coordinating human and material resources throughout the life of a project by using modern management techniques to achieve predetermined objectives of scope, cost, time, quality, and participation satisfaction (Hendrickson, 2008). He went further to expatiate on the general functions of project management to construction. These include:

- Specification of project objectives and plans including delineation of scope, budgeting, scheduling, setting performance requirements, and selecting project participants.
- Maximization of efficient resource utilization through procurement of labour, materials and equipment according to the prescribed schedule and plan.
- Implementation of various operations through proper coordination and control of planning, design, estimating, contracting and construction in the entire process.
- Development of effective communication and mechanisms for resolving conflicts among the various participants.

2.8.1 Stages of a Construction Project

A project is made up of group of interrelated work activities constrained by a specific scope, budget and schedule to deliver capital assets needed to achieve the strategic goals of an agency (Construction project management handbook). The stages in a construction project

include:

- Project initiation
- Planning and funding
- Environmental Impact Assessment (EIA)
- Design of facility
- Securing permits
- Bid and award
- Construction

- □ Commissioning and operations

According to Carr (2009), the project life cycle (PLC) of a project can be divided into four phases.

- Concept phase: the scope of the project is defined at this stage with the approach to be taken to deliver the desired outputs. The project manager is appointed and in turn, he selects the team members based on skills and experience. The Statement of Work (SOW) is established and agreed upon by the clients, contractor and other stakeholders.
- Planning phase: it is a crucial phase of the project life cycle where the triple constraint (cost, time, and scope) are accounted for. Cost represents budget and resources; time represents the project schedule; scope is defined as the specifications and quality. The governing process is defined at this phase while the reporting frequency and channels are also determined.
- Execution/Implementation phase: this is the stage where the actual construction activities takes place such as excavation, setting of reinforcements, casting of concrete, block laying, mechanical & electrical installations, painting and landscaping.
- Closeout phase: the project life cycle comes to an end at this stage. Formal project review report is written and the project is handed over to the client.

2.9 Unethical Conduct in the Construction Industry

Ethical misconduct has led to the waste of society's resources and has caused significant harm to many individuals (Fan *et al.* 2001a, as cited in Man-Fong, 2011). Shakantu and Chiocha (as cited in Oyewobi *et al.* 2011) reported that corruption impacts negatively on the economy of a country as well as the capacity of the construction industry to address imperatives. As a result of corrupt tendencies and practices in developing nations such as Nigeria and Ghana, infrastructural projects which are supposed to benefit the citizenry become "white elephant project". The projects are left uncompleted or re-awarded at a new contract fee. Most projects that are abandoned by successive governments in Nigeria are due to high level of corruption that take place between the government officials and contractors (Oyewobi *et al.* 2011). In a survey conducted in Ghana in the year 2000 by the World Bank in collaboration with the Center for Democratic Development, many businesses especially suppliers and contractors seeking to supply goods and services to the government, have had to make unofficial payments as a condition to secure contracts (TI, 2009). Also TI reveals in their 2011 report that the corruption index draws on assessments and opinion surveys carried out by independent and reputable institutions. These surveys and assessments include questions related to the bribery of public officials, kickbacks in public procurement, embezzlement of public funds, and the effectiveness of public sector anti-corruption efforts. They went further to say that the year 2011 has seen revolt (as shown by the protestors' conducts) against corruption in many places whether in Europe hit by debt crisis or the Arab world starting a new political era.

The issue of corruption is a global one; just that the level varies from country to country. In the early 2000, fraud that involved multinational corporations of America such as Enron, WorldCom, Xerox, and Tyco has sunk the world of big business to a new level of disgraceful recklessness and irresponsibility. Fraud in UK alone is conservatively put at £14billion a year (Mofid, 2003). Unethical performance hinders the free play of market forces, discourage economic aid from the foreign donors and it makes it almost impossible to attract, and international investors shun the corrupt environments to the detriment of the economies and communities of the respective countries (Kadembo, 2009). A look at the Ghana and Nigeria

Enterprise Survey 2007 conducted by the World Bank Group clearly indicates that 48% of the respondent firms in Ghana said they are expected to give gifts in order to get a construction permit while the figure is 52% for Nigeria. This figure goes to a large extent to depict the level of perceived corruption within the construction sector.

In India for instance, Vittal (2002) identified various areas in the construction industry commonly plagued by corruption, these include; administrative approval, detailed estimate and technical sanction, consultancy, preparation of tender documents, invitation and opening of tenders, tender scrutiny and award of works, payment to contractors, keeping of site records, and quality of construction. A survey conducted by FMI/CMAA in the construction industry of US revealed that 63% of the respondents are of the opinion that the industry is tainted by prevalent acts that are considered unethical (FMI, 2004). Similarly, the professional ethics survey conducted in most countries showed same pattern. 74.2% of the respondents of the survey conducted in the Malaysian construction industry believe unethical practices exist (Abdul-Rahman *et al.* 2010). In Australia, 67% of the respondents agreed the construction industry is tainted with unethical conducts (Vee and Skitmore, 2003). Ehsan *et al.* (2009) reported that majority of the surveyed individual in the construction industry of Pakistan allude to the fact that unethical conduct exist there.

The FMI report (2004) shows that unethical behaviour adds to the cost of getting a project done by 0.5% to 5%. The literature review revealed that the researchers (Bowen *et al.* 2007; Abdul-Rahman *et al.* 2010; FMI/CMAA, 2004; Vee and Skitmore, 2003; Ehsan *et al.* 2009; Oyewobi *et al.* 2011) all have a common position that the construction industry is tainted by unethical practices which include:

- Breach of professional responsibility.
- Collusive tendering.
- Bribery.
- Negligence.
- Fraud.
- Dishonesty and unfairness in tendering process.
- Over billing of contract.
- Favouritism.
- Compromise on quality.

- compensation of tendering cost

2.10 Mitigating the Scourge of Unethical Practice in the Construction Industry

To fight this hydra-headed issue called corruption and unethical conducts in every sector of the economy, most nations have come out with various mechanisms to stem the rising tide. For instance in the US, many industries have come under suspicion, prompting the creation of the Sarbanes-Oxley Act, which was signed into law in July 2002 by President Bush to protect investors by improving the accuracy and reliability of corporate disclosures (Parson, 2005). The US Department of Commerce in her business ethics manual - BEM (2004) shows that many businesses around the world are now designing and implementing business ethics programs to address the legal, ethical, social responsibility, and environmental issues they face. By addressing these issues in a systematic way, enterprises can improve their own business performance, expand opportunities for growth, and contribute to the development of social capital in their markets. They went further by saying that specific business benefits can be realized, such as enhanced reputations and good will, reduced risks and costs, protection from their own employees and agents, stronger competitive positions, expanded access to capital, credit, and foreign investment, increased profits, sustained long-term growth, international respect for enterprises and emerging markets. To reduce ethics risks in organization, Ethics Research Centre (ERC) in its 2011 survey recommends that organization

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should invest in building a strong ethics and compliance program, commit to ethical leadership and build an ethics – focused business culture.

In a review of construction industry in four countries namely, UK, Malaysia, Hong Kong, and Singapore, Ofori *et al.* (2011) revealed that there is a general agreement that the involvement of the various stakeholders of the construction industry is of paramount importance in order to make reform happen. Oyewobi *et al.* (2011) were of the opinion that a viable legislation be put in place to strengthen professional institutions which would serve as a mechanism to deal with small levels of corruption by punishing erring members and would prevent corruption to a certain degree. In his research, Hooker (2003) believes that ethics courses should be taught because it has a number of features that seem likely to influence behavior. He stressed that teaching ethics would help in a number of ways which include; providing a language and conceptual framework with which one can talk and think about ethical issues. Their emphasis on case studies helps to make one aware of the potential consequences of one's actions; they present ethical theories that help define what a valid ethical argument looks like; they teach one to make distinctions and avoid fallacies that are so common when people make decisions; They give one an opportunity to think through, at one's leisure, complex ethical issues that are likely to arise later, when there is no time to think. They introduce one to such specialized areas as product liability, employment, intellectual property, environmental protection, and cross-cultural management. They give one practice at articulating an ethical position, which can help resist pressure to compromise.

Other researchers are of the opinion that collaborations should exist between the various professional practicing in the construction industry to tackle the menace. Uff (2003) proposed

that a multi-disciplinary body such as the Society of Construction Law can harmonize the various professional institutes and individuals to have a common ethical code for construction industry practice. This ethical code would provide for guidelines from drawing up of conditions of contract, project formulation and execution, and processing of claims. Many authors argue that organizational culture is the key to solving ethical problems underlying the role of leadership as a model for ethical reasoning (Mckendal *et al*, 2002 as cited in PetrovicLazarevic, 2004). While some authors looks at the intrinsic values of leaders and the strategic roles leader play in shaping the ethical behaviour of their subordinate (Moylan, 2008; Thomas *et al*. 2004; Brown and Mitchell, 2010; Eubanks *et al*. 2012). Moylan recommends that the construction industry should embrace values-based leadership concepts in building ethical partnerships among stakeholders of construction facility projects. Mahdavi (2009) considers the appropriate channel that is used to communicate ethical values effectively to employees in this era of globalization. He stated that global companies must come to grips with the legal and moral atmosphere in which they operate and above all the organization need to establish a working environment that fosters ethical behaviour. He equally suggested that in addition to ethical codes, whistle blowing should be encouraged. Organizations with a strong ethical climate experience few serious ethical problems (Bartel *et al*., as cited in Mahdavi, 2009). Therefore managers should consider developing strong ethical climates if they want the employees to handle ethical dilemmas without much difficulty.

Governments around the world are also seeking for means to bring this menace called unethical conduct or corruption to the minimal. In a bid to curb corrupt practices in the contracting process in government, the Public Procurement Act 2003 (Act 663) was enacted in Ghana to harmonize various guidelines for public procurement, bringing them in line with international standards. The Act stipulates a 5year ban period for a contractor or consultant who attempts to influence a procurement process or bid unfairly for a contract (TI, 2009). Oyewobi *et al*. (2011) suggest that the instruments of fighting corruption within the

pharmaceutical industry as recommended by Transparency International (2006) could be adopted in the construction industry. These instruments include:

- Transparency.
- Codes of conduct.
- Civil society participation and oversight.
- Whistle blowing and protection for whistle blowers.
- Reducing incentives for corruption.
- Conflict of interest rules.
- Integrity pact and debarment.

- Rigorous prosecution.

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CHAPTER THREE

METHODOLOGY

3.1 The Research Design

The research design is a general plan of how the researcher intends to answer his/her research questions. Saunders *et al.* (2009) explained that there are three methods often used for classification of research purposes. These are: Exploratory study, descriptive study and explanatory study. Exploratory study is concerned with finding out what is happening, seeking new insights and assessing phenomena in a new light. Descriptive research is carried out to show an accurate profile of persons, events or situations. Explanatory research establishes the causal-relationships between different variables. In his own view, Kritsonis (2009) posits that a structured way to classify a research is to first determine if it is a quantitative or qualitative study. Thereafter, you identify the purpose of the study whether it is descriptive, correlational, causal-comparative or experimental in nature. He defines quantitative study as a method that involves the collection and analysis of numerical data that is obtained from test, questionnaires, checklist, and surveys. Important features of quantitative research are: defining the problem or questions to be studied and developing a hypotheses that predicts the results of the research before the study begins; controlling contextual factors that might influence the results of the study; collecting data from samples of participants; and using numerical, statistical approaches to analyze the collected data. While qualitative study involves the collection and analysis of primarily non-numerical data obtained from observation, interviews, taped information, and documents.

This research is exploratory in nature and the positivistic research method will be adopted using questionnaire to elicit information. Questionnaire was chosen as a data collection instrument because the study involves making comparison between two countries. To do comparative studies, a researcher should ensure that the data to be compared are collected and recorded using methods that are comparable (Saunders *et al.*, 2009). The information gotten from questionnaire can easily be compared because the same questionnaire would be

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administered to respondents of both countries. An important assumption that underlines the quantitative approach is that the world that we live and carry out our research in, is relatively stable, uniform, and coherent; therefore, it can be measured, understood, and classified (Kritsonis, 2009).

3.2 Sources of Data

Data normally used for research purposes are in two forms; Secondary and Primary data. Secondary data are data used for research purposes that were originally collected for some other purpose. While primary data are data collected specifically for the research project being undertaken (Saunders *et al.* 2009). Primary data would be used for this thesis considering the nature of the information required; to seek the perception/opinion of professionals and players in the construction industry of Nigeria and Ghana.

3.3 Unit of Analysis

This study is concerned with eliciting information from professionals and players in the construction industry of Ghana and Nigeria. The countries under consideration are the case studies while the various respondents or participants of the opinion survey would be giving the required information based on their individual capacity, perception, and experience garnered. It is note-worthy that the given information does not represent the views of the organization or institution which they might belong to. Therefore, the unit of analysis for this research will be the individual professionals in the construction industry, contractors, and government officials, who would participate in the opinion survey.

3.4 Population and Sample Frame

In conducting researches, the term population refers to the total set of cases or elements from which a sample can be taken from; while a sample frame is a complete list of all cases in the population from which the sample would be drawn (Saunders *et al.* 2009). They suggested that in drawing up a suitable sample frame, the following can act as a checklist:

- Are cases listed in the sample frame relevant to the research topic?
- Is the sample frame complete?
- Does the sample frame contain the correct information?
- Is the sample frame up-to date?

The sample frame for this study would be stakeholders and professionals engaged in the construction industry. They include amongst others; Architects, Engineers, Quantity Surveyors, building Contractors, professional institutes, and various government ministries and agencies participating in the construction sector.

3.5 Sample Size

The need to sample or choose a sample size would arise for various reasons as stated by Saunders *et al.* (2009). These are when; it becomes practically impossible to survey the entire population, budget constraints prevents one from surveying the entire population, time is a constraint, results are needed quickly despite all the data are gotten. The choice of a sample size is based on the research questions and objectives, geographical area over which the population is spread, and nature of sample frame. 100 questionnaires each would be sent to various stakeholders and professionals practicing in the construction industry of Ghana and Nigeria.

3.6 Sampling Technique

Sampling techniques provides a range of methods that enables you to reduce the amount of data you need to collect, by considering only data from a sub-group rather than all possible cases or element (Saunders *et al.* 2009). The sampling techniques available can be divided into two types, namely; probability and non-probability sampling. Probability sampling is a sampling design that gives every case of the population an equal chance of inclusion in the sample, while non-probability sampling is the sampling procedure which does not afford any basis for estimating the probability that each case in the population would be included in the sample (Kothari, 2004).

Purposive type of non-probability sampling technique would be used for this study because the cases to be selected for the sample size need to be well informed about the construction industry. Purposive technique is also known as judgemental sampling and it enables the researcher to use his judgement to select cases that will best enable him answer the research questions and to meet the research objectives (Neuman, 2005 as cited in Saunders *et al.* 2009).

3.7 Data Collection Instrument

This study is quantitative in nature; therefore, questionnaire would be used as an instrument for collection of the primary data required. The term questionnaire is a type of primary data collection technique whereby each case or person is asked to respond to the same set of questions in a predetermined pattern (deVaus, 2002 as cited in Saunders *et al.* 2009). Certain measures ought to be taken into consideration when constructing the questionnaire (Kothari, 2004). This includes; the general form (structured or unstructured), question sequence, question formulation and wording. He stated further that for a questionnaire to be termed good, it should be kept comparatively short and simple, avoidance of technical terms and vague expressions capable of indicating different interpretation, and it should possess attractive appearance. Bearing in mind the important issues discovered in the literature review, the questionnaire for this study was designed to suit the research questions and subsequently meet the research objectives. It combines the open and closed-ended type of questions to allow for flexibility and contribution of the professionals in the industry.

3.8 Pilot Testing

Before administering the questionnaires, Kothari (2004) advised that it is important to conduct a preliminary or pilot testing. This testing would help to bring to light the loopholes (if any) of the questionnaire. Pilot testing was carried out by giving the questionnaire to three professional in the construction industry to fill out. This is done to ascertain the ease with which the questions are understood, the time it took to complete, and to identify any weakness inherent in the questionnaire.

3.9 Brief Profile of the Case Studies

The case studies for this research are Nigeria and Ghana. Nigeria is a country in the West Africa sub-region bordering the Gulf of Guinea between Benin and Cameroon. It has a total area of 923,768 square kilometers with a coast line of 853 kilometers. She got her independence in

1960 from the British and became a republic of the Commonwealth in 1963. It is Africa's most populous country having a population of over 170 million people and has over 250 ethnic groups. The country is divided into 36 states with the Federal Capital Territory (FCT) at Abuja, other major cities are; Lagos, Ibadan, Kaduna, Kano, Port-Harcourt, and Benin City. The mainstay of the Nigerian economy is oil which accounts for 95% of foreign exchange earnings. The per capita GDP estimate for 2011 is \$2,600 (CIA, 2012).

Ghana is also a country in the West Africa sub-region bordering the Gulf of Guinea between Cote d'Ivoire and Togo. It has a total area of 238,533 square kilometers with a coastline of 539 kilometers. She got her independence from the British in 1957 as the first country in the

Sub-Saharan Africa. The population is put to about 25 million people. The country is divided into 10 regions with the national capital at Accra while other major cities include; Kumasi, Tamale, Sunyani, Takoradi, Cape-Coast, and Koforidua. The lingua franca is English while other spoken languages include; Asante, Ewe, Fante, Boron, Ga, Dagomba, etc. Gold, cocoa, and individual remittances are the major sources of foreign exchange earner for the country. Though, oil production at the Jubilee field is currently contributing to the economy. The per capita GDP estimate for 2011 is \$3,100 (CIA, 2012).



CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

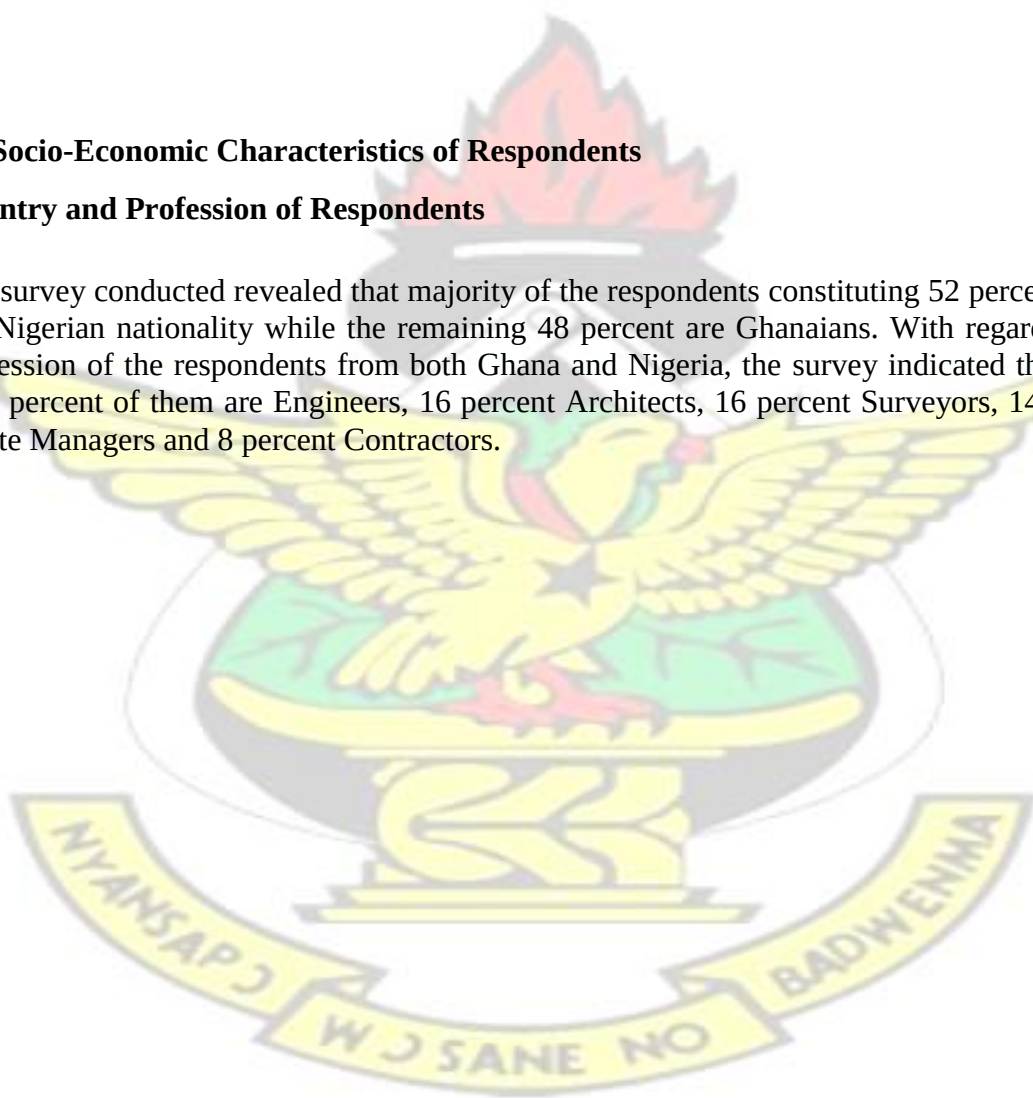
4.1 Introduction

This chapter highlights the detailed analysis of the responses from the key informants to the various questions posed in the questionnaires. This will form the basis to make deductions from their answers and in-depth insight into the topic under study and thus be able to draw useful conclusions and provide implementable recommendations. In view of this, the chapter highlights the demographic data of the respondents to the study; analysis and discussion on issues raised in response to the administered questionnaires.

4.2 Socio-Economic Characteristics of Respondents

Country and Profession of Respondents

The survey conducted revealed that majority of the respondents constituting 52 percent are of the Nigerian nationality while the remaining 48 percent are Ghanaians. With regards to the profession of the respondents from both Ghana and Nigeria, the survey indicated that about 29.1 percent of them are Engineers, 16 percent Architects, 16 percent Surveyors, 14 percent Estate Managers and 8 percent Contractors.



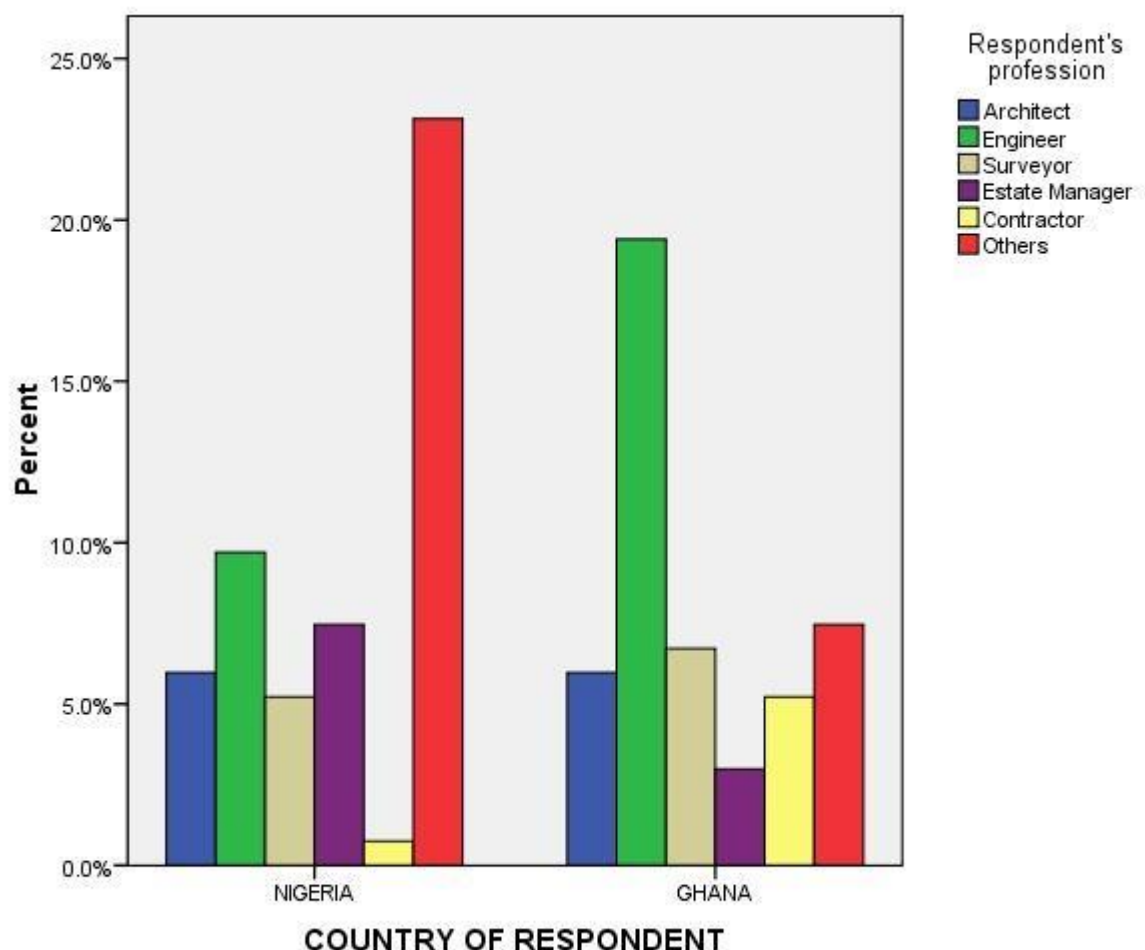


Figure 4.1 - Respondents Profession

Moreover, the remaining respondents from both countries were engaged in other professions comprising of Assembly Members, Builders, Civil Servants, Government Officials, Chartered Accountants, Managers, Town and Development Planners. The foregoing gives a clear indication of the variety of professions that are available in both countries that provide a source of employment to the populace.

The data compiled from the survey further indicated that majority of the respondents (i.e. 29 percent) had between 10-15 years practice in their professions, while the others had between 1-4 years, 5-9 years and 16-20 years of practice, representing 28 percent, 27 percent and 9 percent respectively. However, only about 6 percent of the respondents had more than 20 years of practice in their profession. This gives a general indication that the respondents in one way or the other are equipped with the requisite experiences, skills and techniques required for undertaking their assigned tasks and responsibilities in their professions.

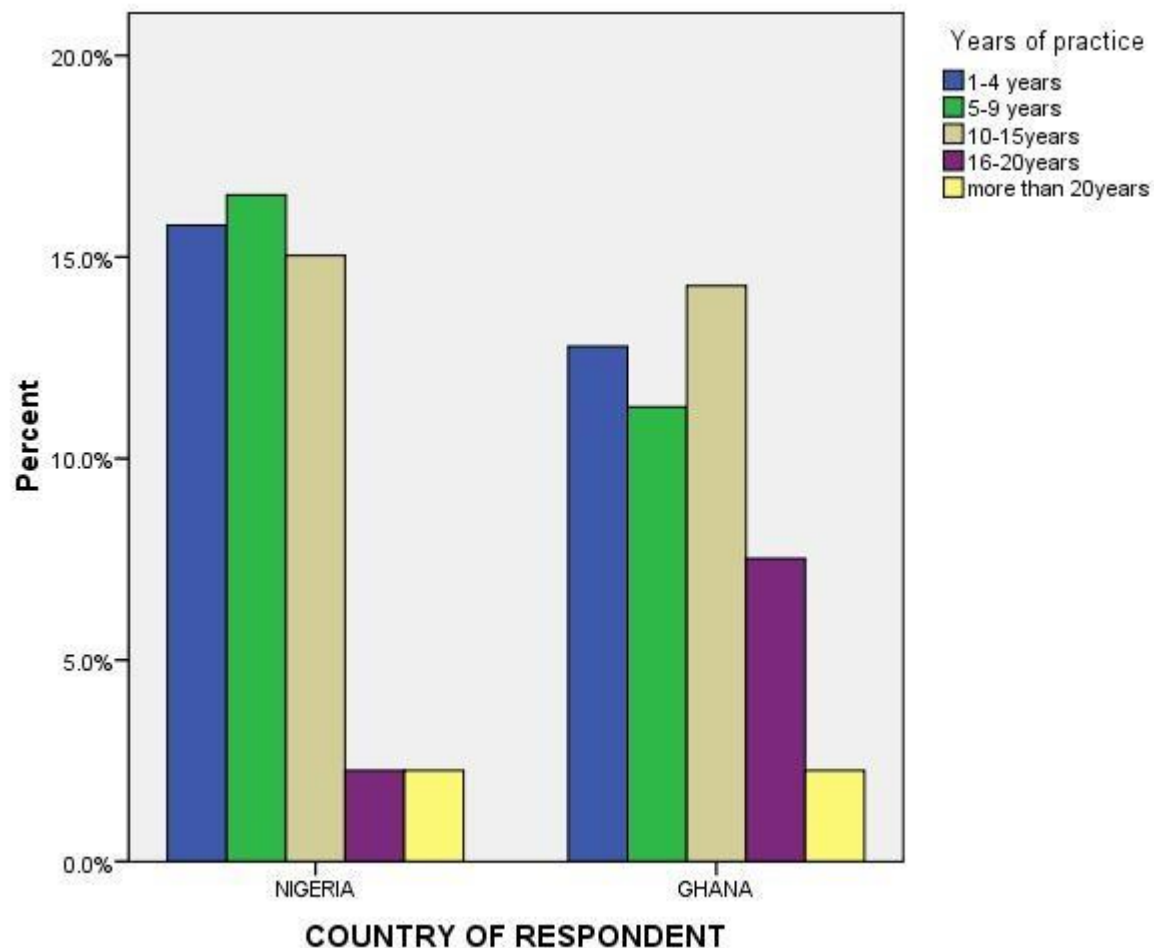


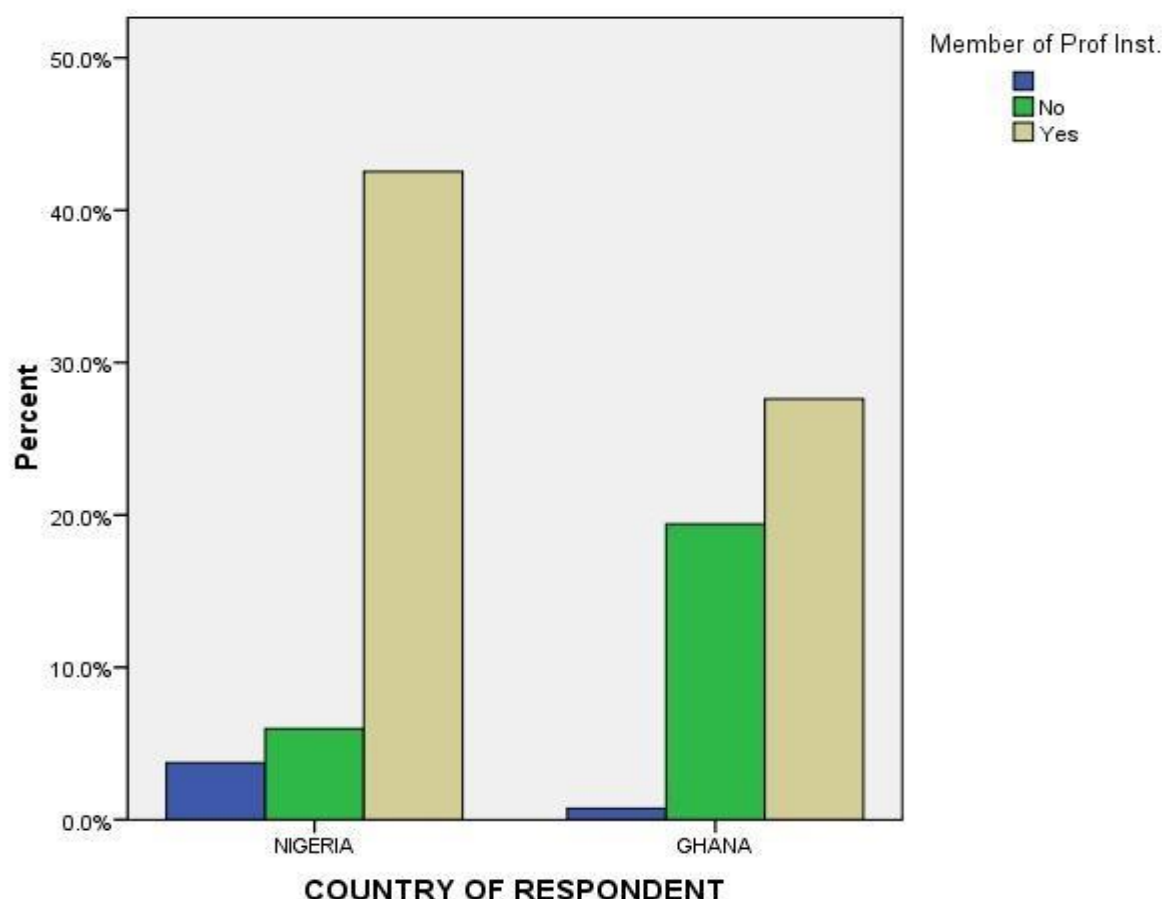
Figure 4.2 - Respondents Years of Practice Membership of Professional Institutions

Respondents were interviewed with regards to their membership to professional institutes that have relations with the construction industry. Therefore, with reference to this, the survey indicated that about 70 percent of the respondents were members of a professional institute affiliated with the construction industry while the remaining 30 percent were not members as such. The majority of the people being members of a professional institute imply that efforts, resources and ideas can be coordinated or consolidated for the benefit of individual members and their respective associations as well.

Furthermore, the survey findings revealed that majority of the respondents are members of the Ghana Institute of Engineers and the Nigerian Institute of Estate Managers, constituting 5.2 percent each. Others were mostly members of the Nigerian Institute of Builders, Nigerian

Institute of Management and the Nigerian Society of Engineers, constituting 4.5 percent each.

Again, members of the Nigerian Institute of Architects, the Nigerian Institute of Town Planners, the Nigerian Institute of Quantity Surveyors and the Ghana Institute of Quantity Surveyors constituted 3.7 percent, 3.0 percent, 2.2 percent and 1.5 percent respectively.



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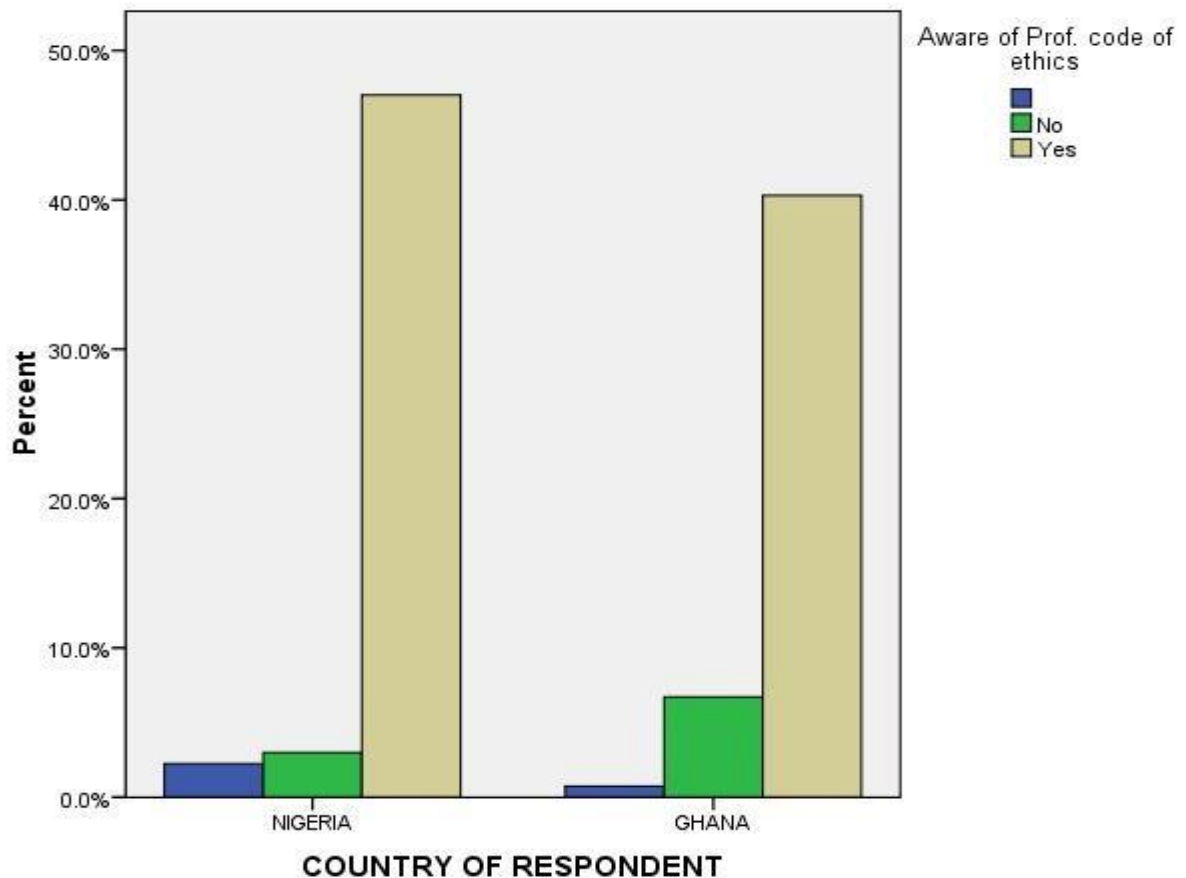
Figure 4.3 – Members of a Professional Institute

4.3 Codes of Ethics

The adoption of ethical principles and the enforcement of standards become matters of increasing importance to society as the number of professions and professionals increase becomes more ethically sensitive. This section thus gives general overview of respondents' awareness of codes of ethics in their professional institutions and their varying perceptions towards certain prevailing institutional demeanours.

4.3.1 Awareness of Codes of Ethics

The survey results indicated that professional institutes' codes of ethics are widely made known to members. Therefore, from the survey, a majority of the members of professional institutes representing 87 percent indicated their awareness of the prevailing codes of ethics of their institutions. This invariably implies that members' actions and responsibilities are undertaken under binding ethical codes prevalent in their institution, hence ensuring effectiveness and efficiency in overall service delivery. However, only 9 percent of the respondents who are members of a particular professional institute portrayed gross ignorance towards codes of ethics of their institutions. With regards to this, there is the indication of an apparent need for



improving service conditions by making known to all and sundry appropriate working and professional ethics to guide members in their conducts.

Figure 4.4 – Awareness of Code of Ethics

4.3.2 Perceptions of Respondents

The survey conducted also highlighted the varying perceptions of respondents who form membership to the identified professional institutions related to the construction industry. This section therefore elaborates the different perceptions members have on the demeanours of their institutions with emphasis on bribery, fraud, quality assurance, favouritism, conflict of interest among others.

1. Perceptions on Bribery

In considering respondents' view on bribery in their professional institutes, about 32.1 percent of the members indicated their disagreement to the prevalence of the issue in their institution; 1.5 percent expressed their strong disagreement in this regard. However, the survey indicated that 28.4 percent portrayed agreement while 23.2 percent indicated their strong agreement to the prevalence of bribery in their professional institutes; the remaining 14.2 percent indicated neutrality complex in the prevalence of the phenomenon. The foregoing indicates a high prevalence of bribery; hence, this implies high relative corruption incidents in the construction industry.

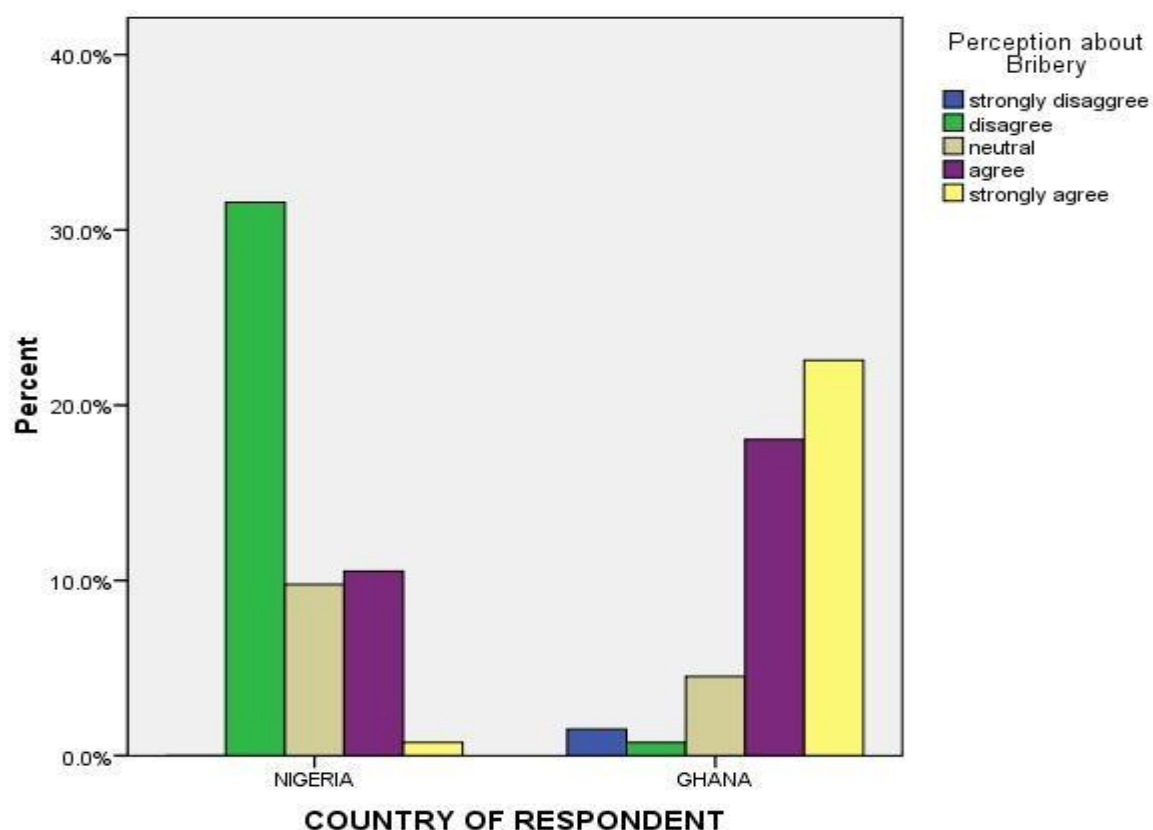


Figure 4.5 - Perception about Bribery

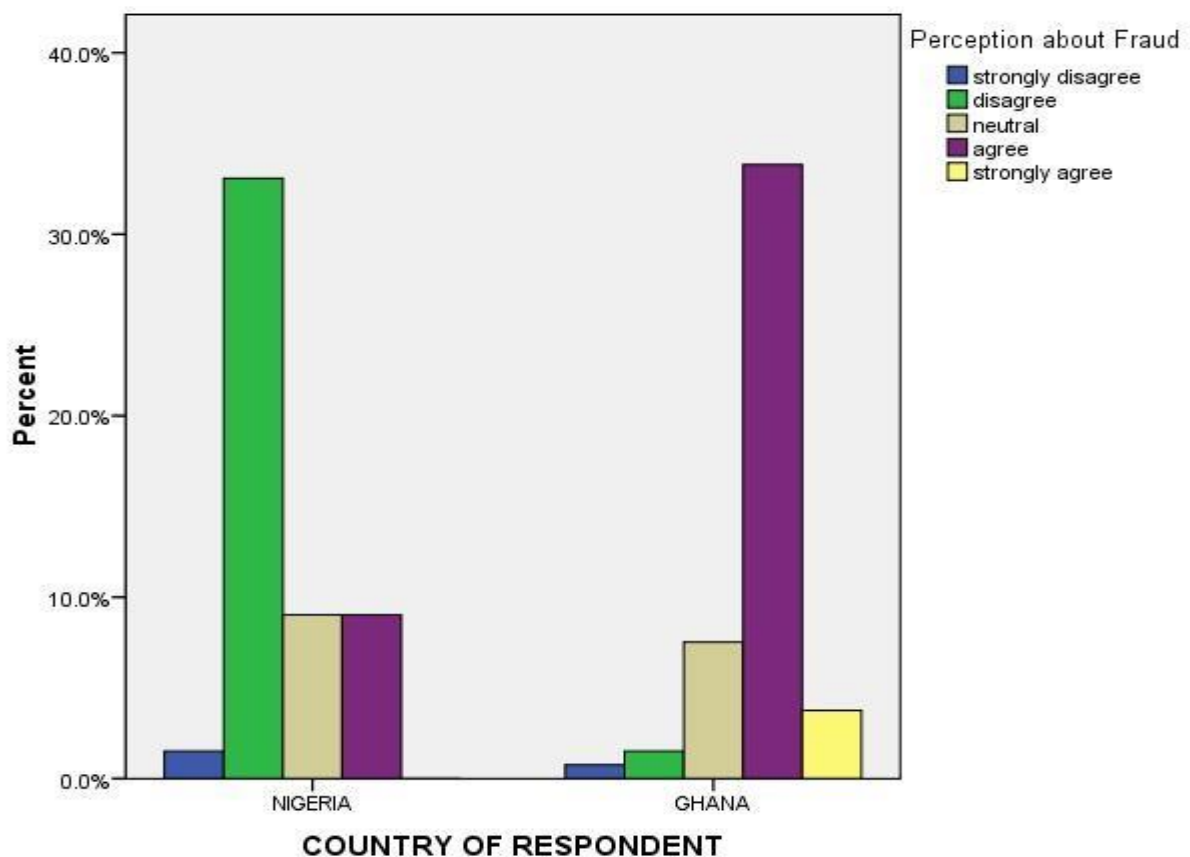
2. Perceptions on Fraud

The data gathered in relation to respondents' perception on the prevalence of fraud in their institutions revealed that as many as 42.5 percent of the members attested to the prevalence of fraud in their institutes, with about 3.7 percent agreeing strongly to this fact. The survey results further indicated that 16.4 percent hold neutral views towards the prevalence of fraud in their institutes. However, about 34.3 percent of the members disagree to fraud prevalence in their institutes, with only 2.2 percent members who strongly disagree to the prevalence of fraud in their professional institutions. The high occurrences of fraud in the institutes imply general

deceitful attitudes experienced in the institutions and its associated effects on poor workmanship and material or products quality.

Figure 4.6 - Perception about Fraud

3. Perception on Quality Compromise



With regards to the existence of compromise on quality in their professional institutes, majority (42.5 percent) of the members indicated that they disagree to the prevalence of the foregoing issue, with only 1.5 percent disagreeing strongly to the fact on quality compromise.

In addition, the results revealed that as many as 32.1 percent of members stood on neutral grounds as far as compromise on quality in their institutes are concerned. In spite of this, about 17.9 percent of the members agree and 6.0 percent strongly agree to the compromise on quality prevalent in their professional institutions. With regards to the findings, it can be deduced that many of the professional institutes do not take quality assurance as a priority in their mode of production or operation, thereby indicating the possibility of many substandard quality works, goods or services in the construction industry.

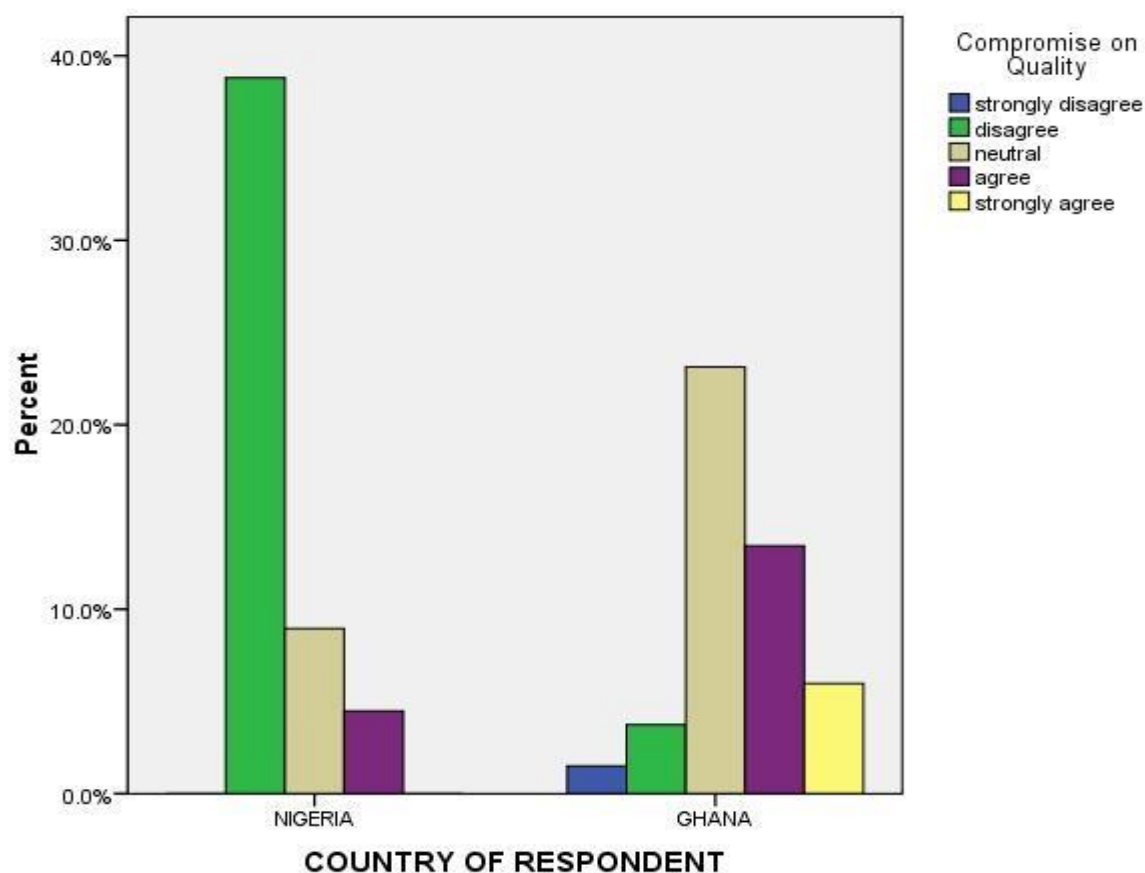


Figure 4.7 - Perception about compromise on quality

4. Perception on Favouritism

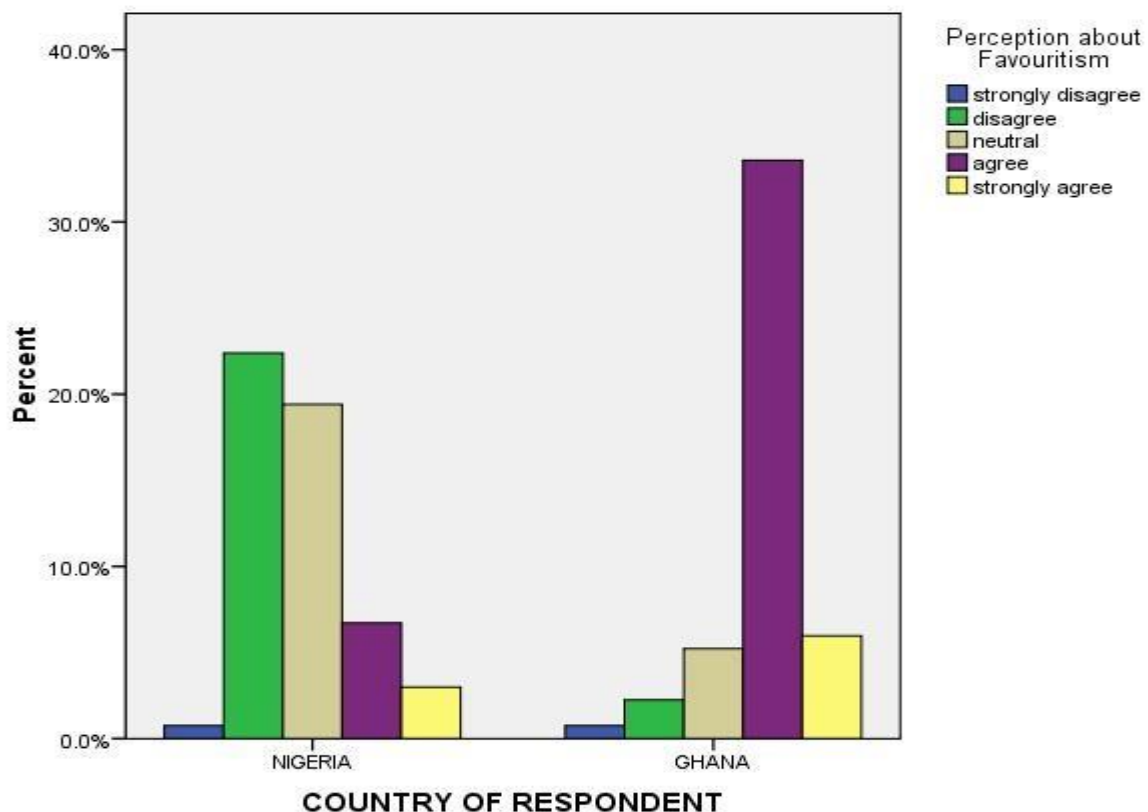
The responses with regards to perception on favouritism from the survey indicated that 40.3 percent of the respondents agreed to its prevalence with a corresponding 9.0 percent who exhibited a strong agreement. Despite the foregoing, about 24.6 percent of them disagreed and also, 1.5 percent strongly disagreed to the prevalence of favouritism in their professional institution. The remaining 24.6 percent of the respondents gave the neutral responses towards the prevalence of the issue in their institutes. The high perception on favouritism implies the allocation of special privileges to particular members to perform some delegated tasks based

on merits. This has dire consequences on expected outputs especially in circumstances in which case such members are not fully qualified to undertake such arduous tasks.

Figure 4.8 - Perception about Favouritism

5. Perception on Conflicts of Interests

From the survey conducted, a majority of 40.3 percent of the respondents indicated their agreement to the prevalence of conflicting interests in their institutes; only 3.7 percent in the same wavelength agreed strongly. About 32.1 percent and 0.7 percent respectively disagreed and strongly disagreed to the existence of conflicting interests in their institutes. The study



further indicated 23.1 percent portrayed neutral views towards the prevalence of conflicts of interests in their professional institutes. Differing interests in an organization have both positive and negative impacts. On the positive side, it reveals diverse initiatives that can be of immense benefit towards the achievement of the institutional goals. On the other hand, conflicting interests have the tendency of delaying progress of production and difficulty in building consensus towards the implementation of a particular course of action.

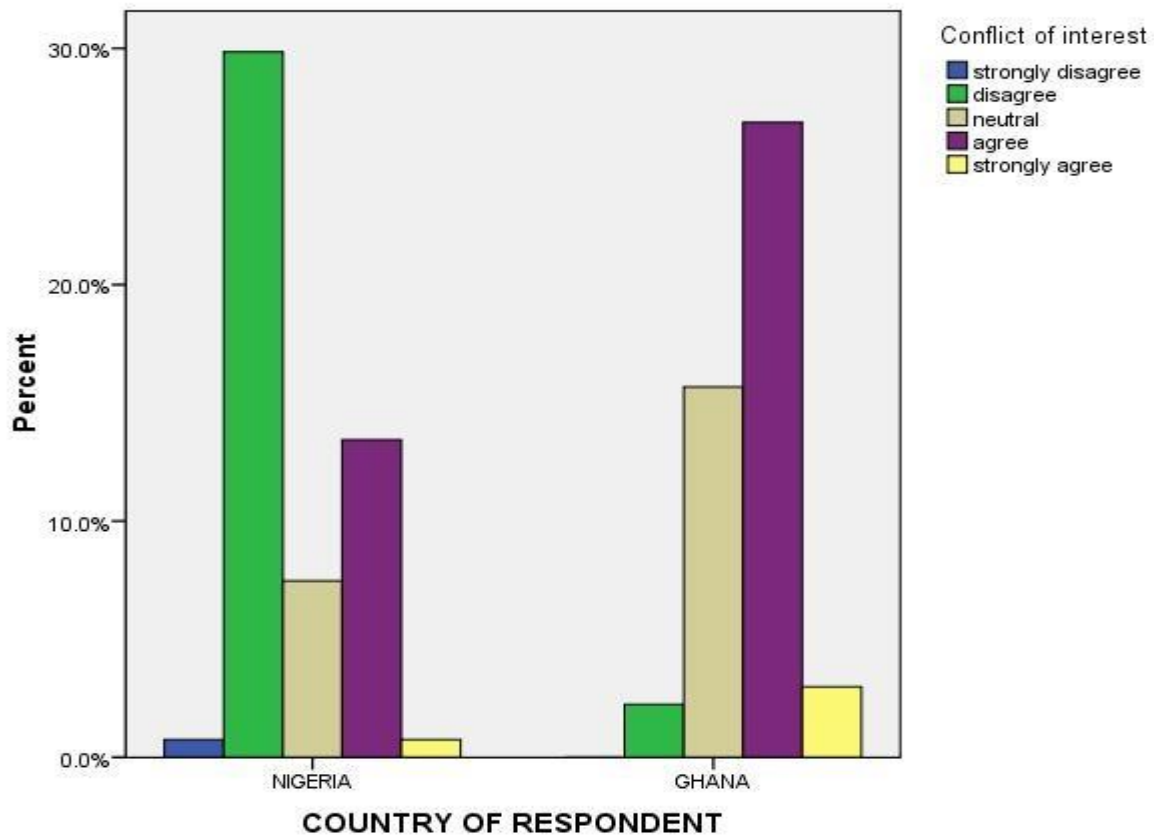


Figure 4.9 - Perception about Conflict of Interest

6. Perception on Gifts, Meals and Entertainment

With reference to the motivation of members in the form of gifts, meals and entertainment, about 32.1 percent of the respondents expressed their strong agreement to the existence of such packages; and 22.4 percent also shared the same opinion by indicating their agreement in this regard. Despite the foregoing, 27.6 percent and 1.5 percent of the members exhibited their disagreement while the latter indicated strong disagreement to the prevalence of gifts, meals and entertainment in their institutes; the remaining 16.4 percent of the respondents however stood on neutral grounds. This implies an acceptable form of motivating packages that are made available to members to boost their performance in executing their tasks.

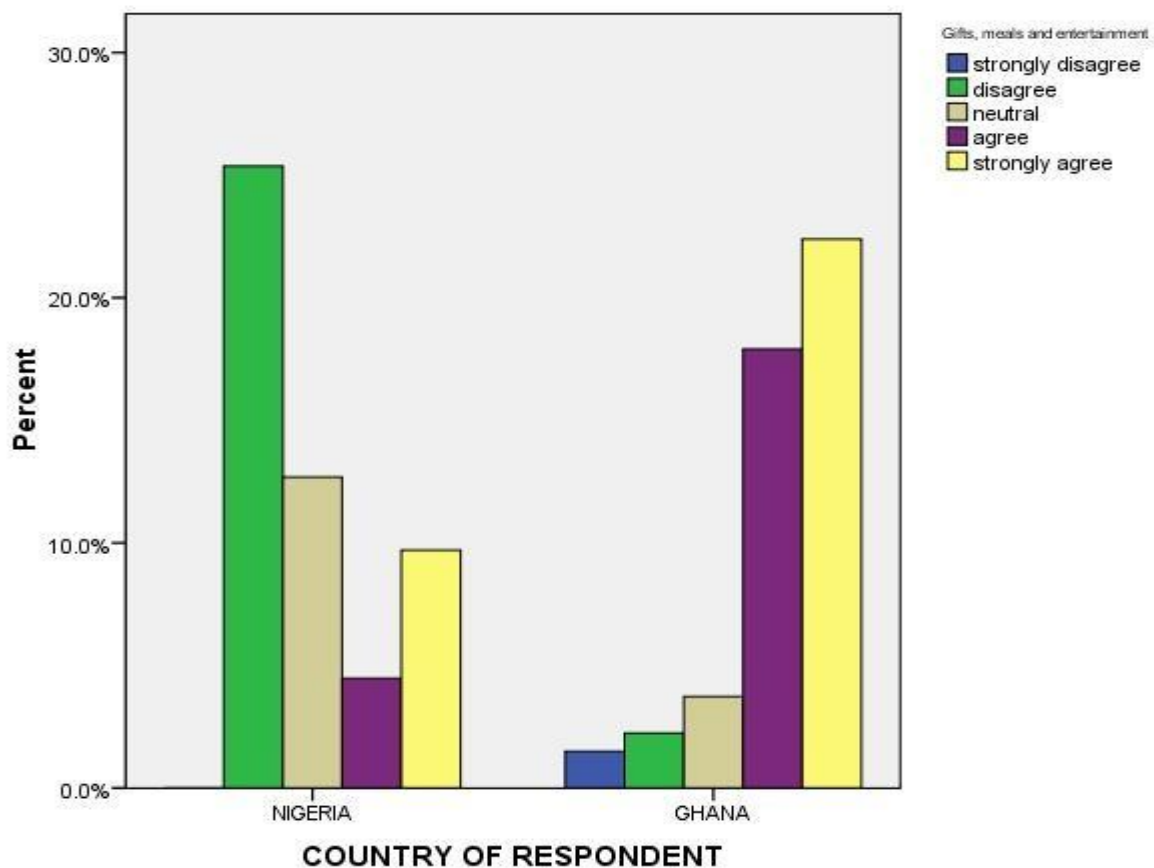


Figure 4.10 - Perception about Gifts, Meals and Entertainment

7. Perception on Unfairness in Tendering Process

Respondents portrayed a majority (38.8 percent) agreement on the existence of unfairness in the tendering process in their institutes. Again, 6.7 percent indicated their strong agreement to the foregoing, while about 20.9 percent indicated their neutrality complex to the fact that unfairness exists in the tendering process in their institutes. Nevertheless, about 32.8 percent of the respondents indicated that they disagreed while only 0.7 percent strongly disagreed to this trend. This implies the tendency of awarding contracts to particular firms or agencies based on biases that may end up in under bidding by contractors, which will eventually affect the quality of the end product delivered to end users.

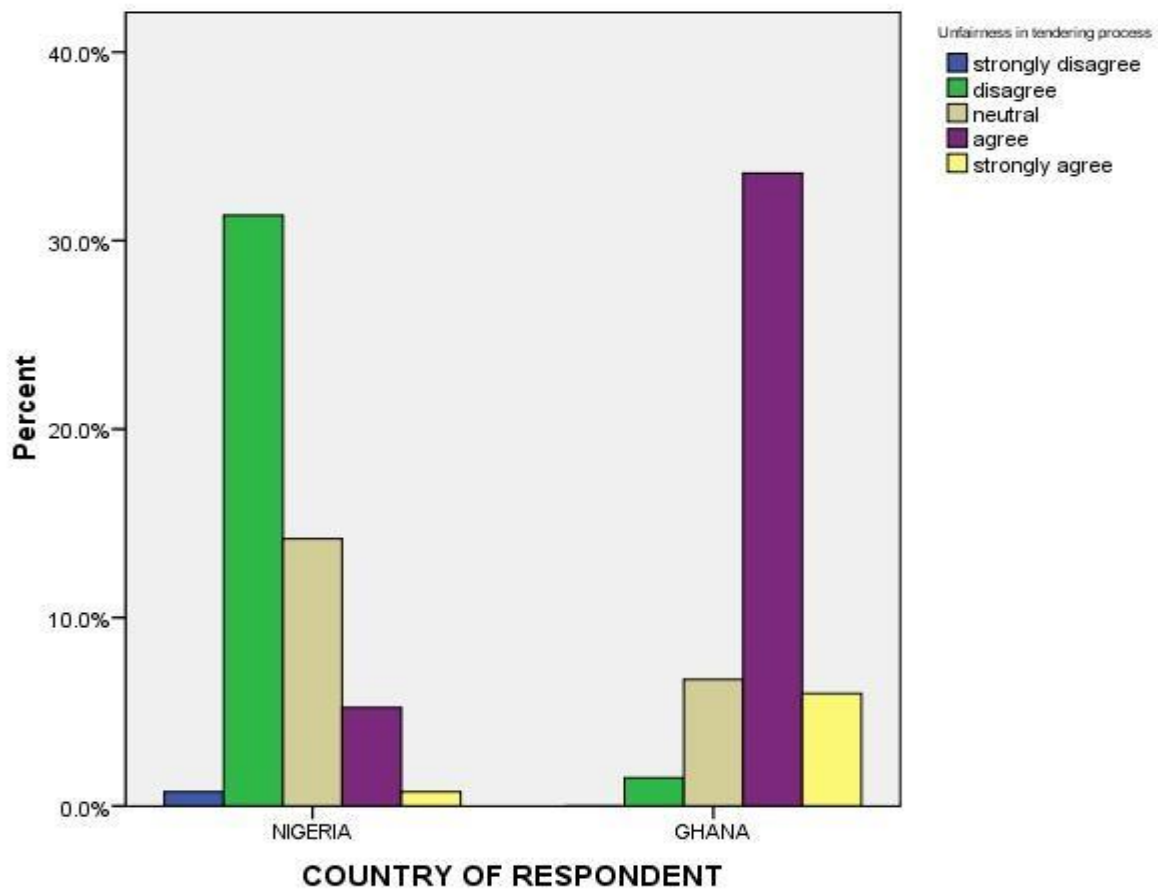


Figure 4.11 - Perception about Unfairness in Tendering Process

8. Perception on Over-Billing

In terms of the existence of over-billing in their professional institutions, majority (34.3 percent) agreed to the incident, and 11.9 percent in a similar vein also strongly agreed. Further, 18.7 percent of the respondents were indifferent and thus indicated neutrality towards the existence of over-billing in their institutes. However, as many as 31.3 percent disagreed to the incident while the remaining 3.0 percent strongly disagreed in that respect. High prevalence of over-billing in the construction industry implies the possibility of the institutes losing public respect and recognition which in the short to medium-term affect the production levels of the industry and in the long-term, eventual collapse.

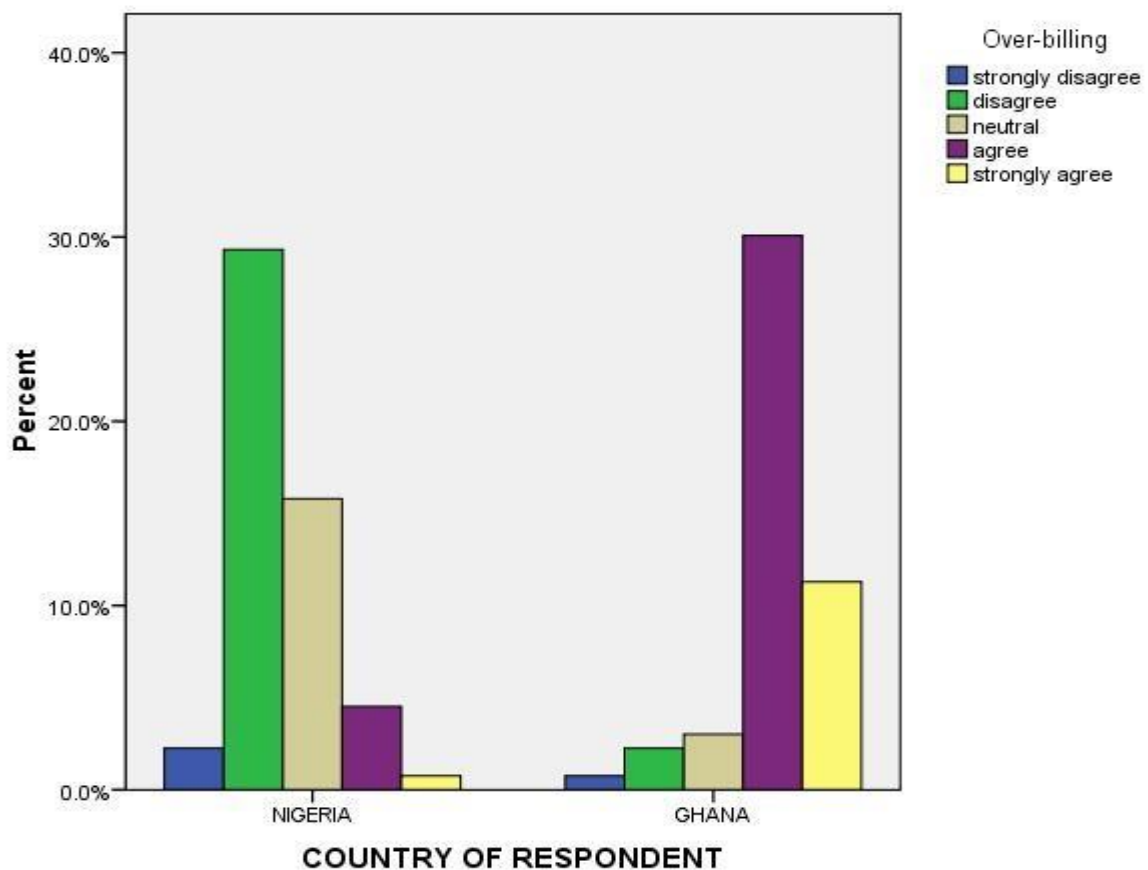


Figure 4.12 - Perception about Over-billing

9. Perception on Negligence/Breach of Professional Responsibility

From the survey, the data indicated that about 35.8 percent of the respondents interviewed indicated their neutrality towards existence of negligence/breach of professional responsibility in their institutions. In addition, the results showed that about 32.1 percent and 5.0 percent disagreed and strongly disagreed to the foregoing issue. Contrarily, 23.1 percent of them agreed to the prevalence of the trend, with only 2.2 percent strongly agreeing to the phenomenon in their professional institutions. The foregoing implies that most of the institutions take particular attention to ensuring proper service delivery and execution of responsibility, this promotes effectiveness and efficiency in the industry. However, there is the need to ensure that members are not negligible towards the performance of their assigned duties or responsibilities.

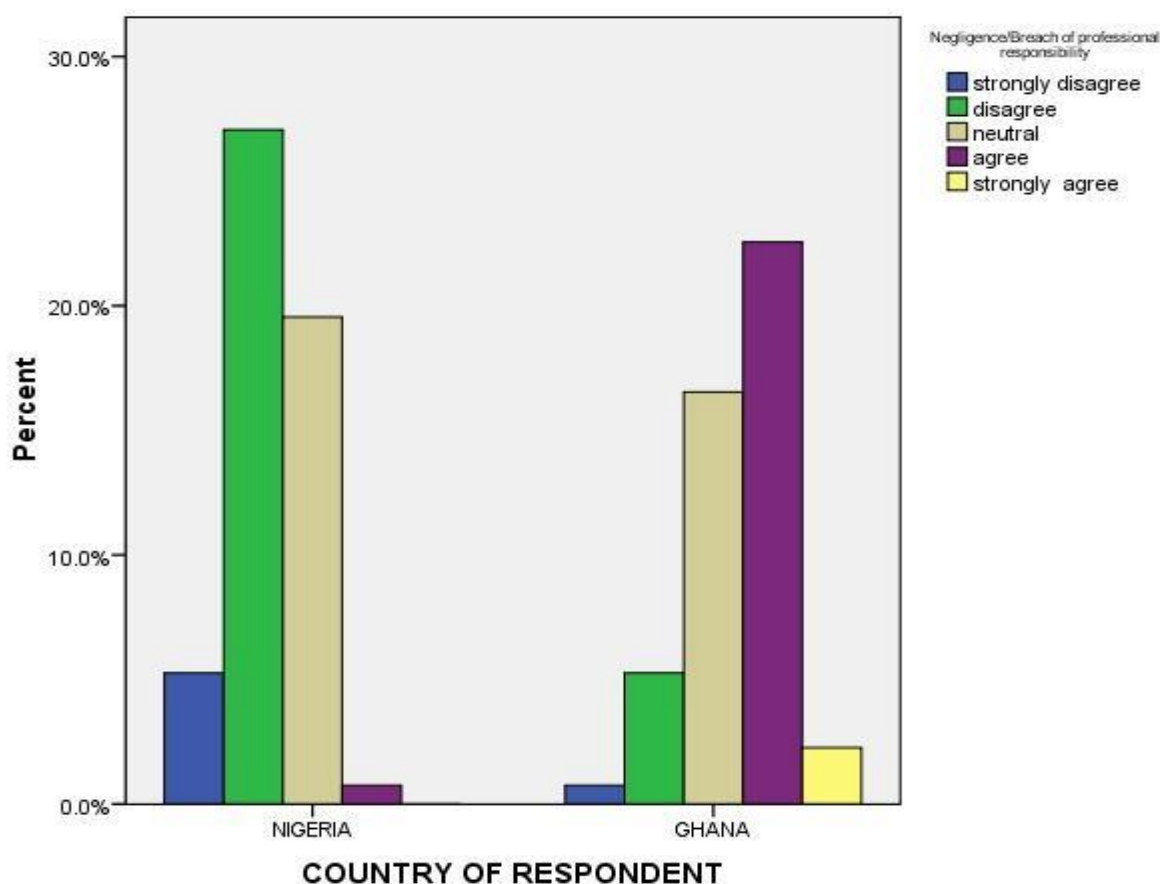


Figure 4.13 - Perception about Negligence and breach of Professional Responsibility

10. Other Perceptions

The survey results moreover revealed that other demeanours that are prevalent in their professional institutions included improper consultations, kick backs; improper planning, evaluation and monitoring, political interferences and defiance of ethics, all constituting 0.7 percent of the respondents each. These numerous unethical practices that are exhibited in the construction industry account for the many sub-standard goods and services that are produced.

4.3.3 Effectiveness towards resolving Unethical Conducts

The study through its research instrument revealed that majority of the respondents constituting 33.6 percent disagreed with the issue on the effectiveness of their institutes towards resolving unethical conducts, with 6.7 percent in strong disagreement. Another 33.6 percent were however indifferent about the issue while 17.9 percent and 6.0 percent agreed and strongly agreed in attestation to the existence of the trend in their institutions. This implies that the institutions are generally not putting adequate measures in place to resolve unethical conducts and invariably the high occurrences of the identified unethical practices in their industries.

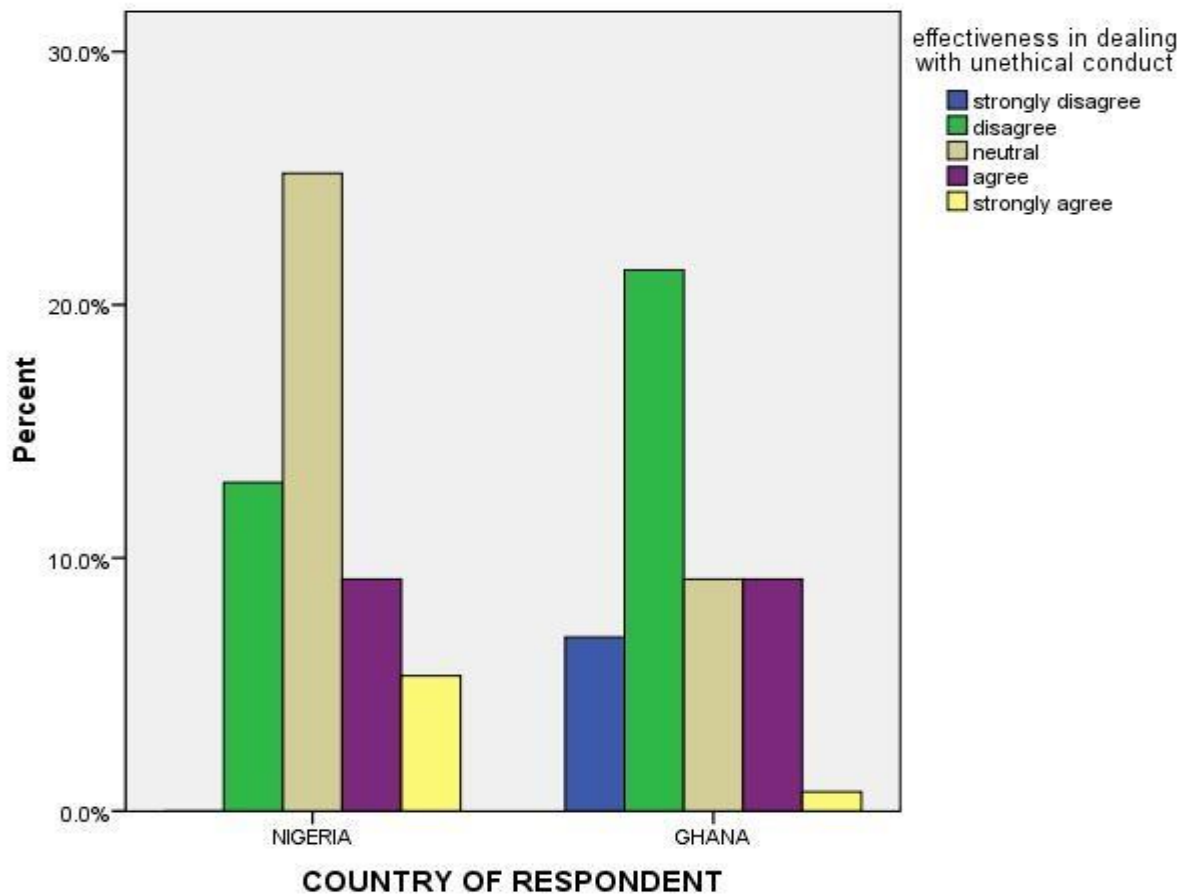


Figure 4.14 – Effectiveness of Professional Institutes in Dealing with Unethical Conduct

4.3.4 Governments' Regulations of Business Ethics

With due consideration to the efforts of governments in regulating business ethics in the construction industry, 31.3 percent of the respondents were neutral towards this issue. 26.9 percent of the respondents disagreed that governments' efforts were plausible in regulating business ethics, with about 24.6 percent of them in strong disagreement of the efforts of government being effective in regulating business ethics. On the other hand, 11.9 percent of the respondents were in agreement while only 0.7 percent of them were in strong agreement to the effectiveness of governments' efforts in business ethics regulation. The foregoing is a true reflection of governments' difficulty in ensuring proper ethical conducts in the construction industry.

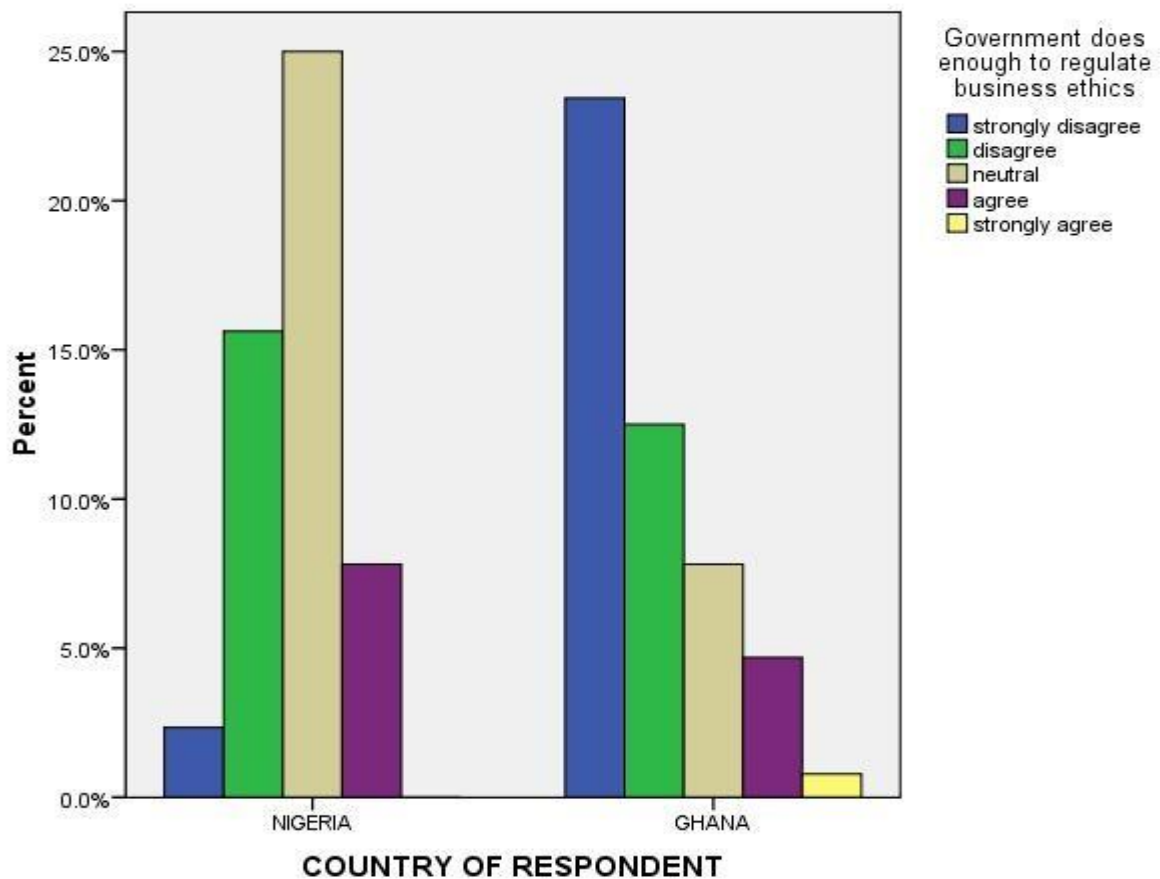


Figure 4.15 – Effectiveness of Government in Regulating Business Ethics in the Industry

4.3.5 Compliance with Industrial Ethics

The survey results indicated that with regards to the compliance to industrial ethics, 25.4 percent of the respondents expressed agreement to the complications associated; 0.7 percent similarly agreed strongly to the issue. Despite this, 34.3 percent disagreed while 6.7 percent strongly disagreed to the complicated nature of complying with industrial ethics. The remaining 32.8 percent however held a neutral notion towards the foregoing phenomenon. Generally, the findings give an implication that compliance with industrial ethics can and should be undertaken with a form of discipline and hence the complications mostly experienced.

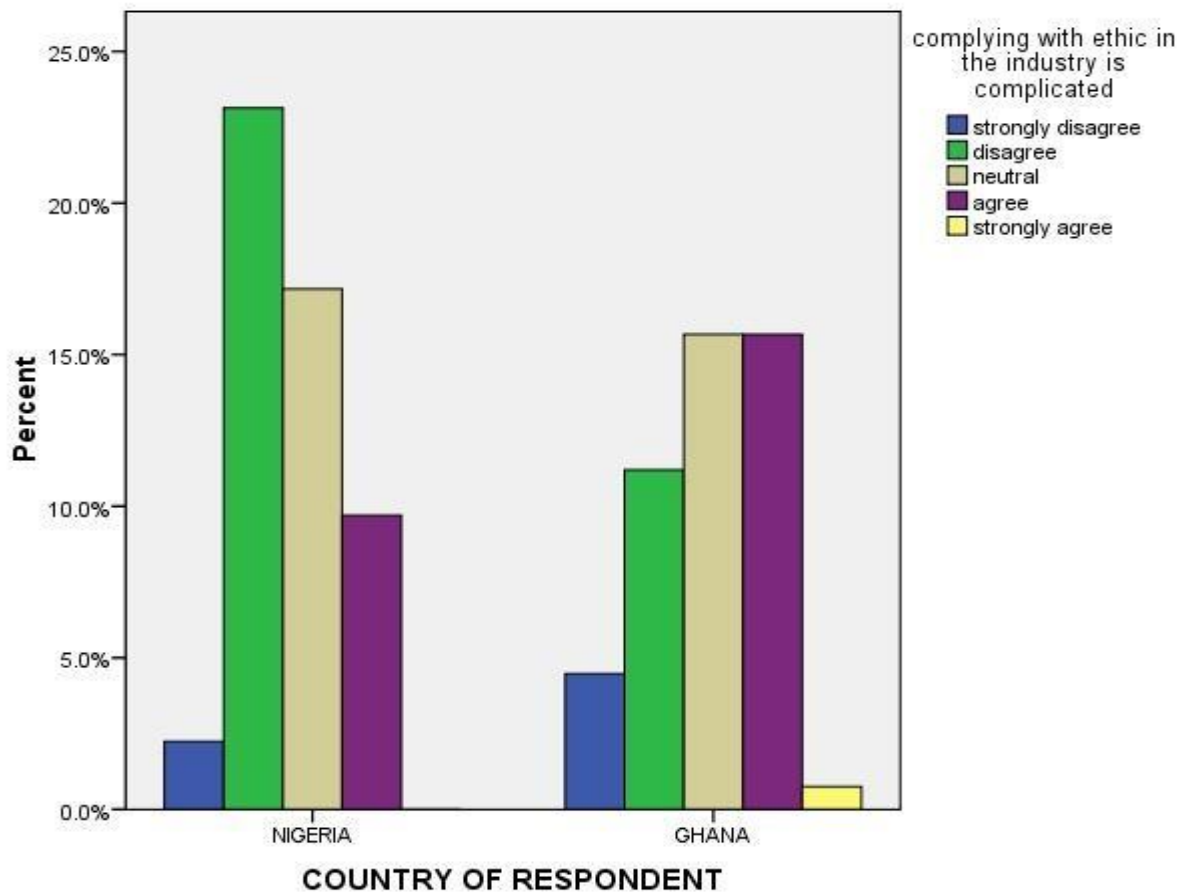
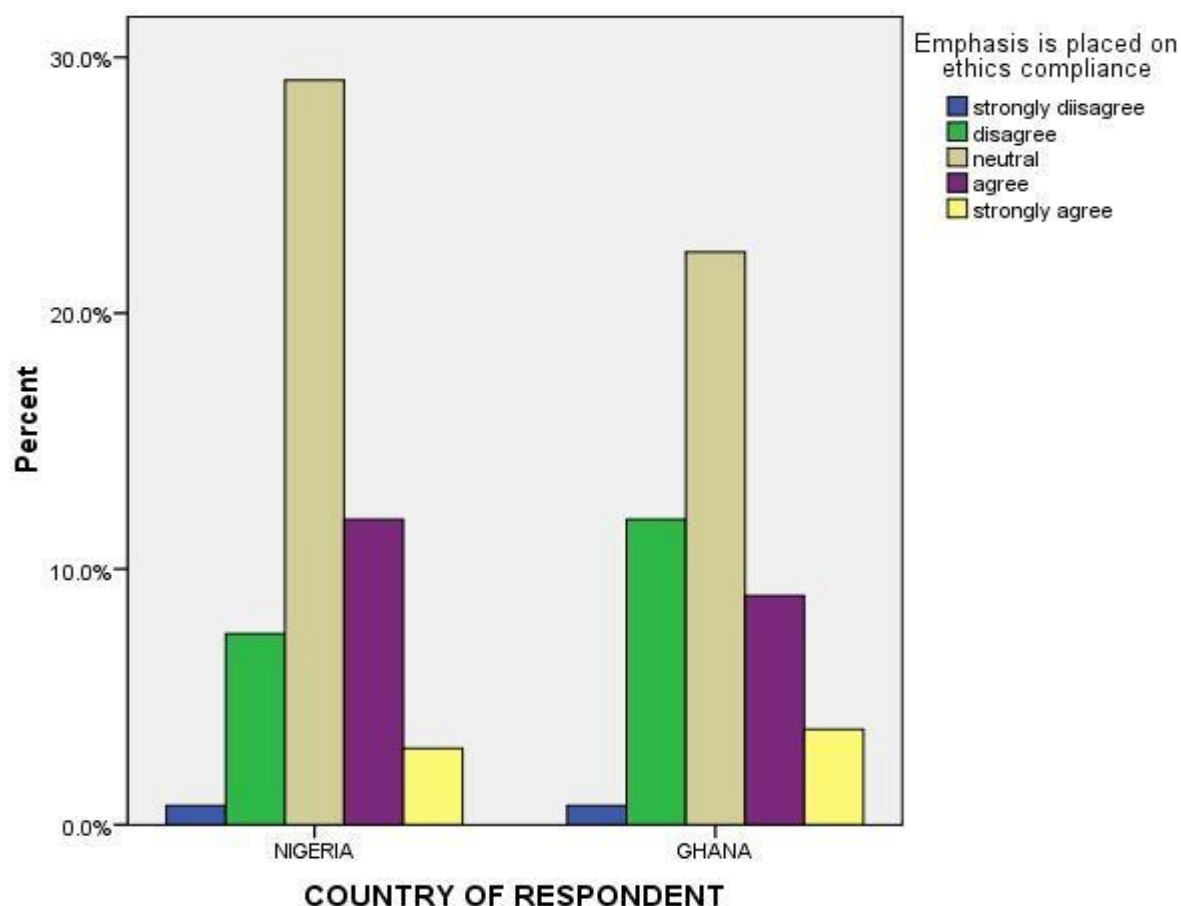


Figure 4.16 - Perception about Complexity of compliance to Ethics in the Industry

4.3.6 Emphasis on Compliance to Ethics

The data gathered in relation to emphasis placed on compliance to ethics revealed that about 20.9 percent of the members were in agreement to the trend, with about 6.7 percent agreeing strongly to this fact. The survey results further indicated that as many as 51.5 percent hold neutral views towards this issue. However, about 19.4 percent of the members disagree, with only 1.5 percent members who strongly disagree to the fact that emphasis is placed on compliance to ethics in their professional institutions. This gives a general implication that members are made aware of existing ethics on one hand and without any stringent sanctions to offenders on the other hand. Therefore, in such circumstances, irrespective of prevailing ethical codes, members are at liberty to perform their functions as they deem appropriate.



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Figure 4.17 - Perception about Companies Emphasis on Ethics Compliance

4.3.7 Report of Unethical Conduct

Respondents were also interviewed on issues of reporting unethical conducts to appropriate authorities. The results indicated that about 47.0 percent of them were indifferent, with about 11.2 percent in disagreement; while 27.6 percent and 13.4 percent agreed and strongly agreed respectively on the need to report unethical conducts to appropriate authorities. This indicates that members serve as check on the counterparts in the execution of their assigned duties. The foregoing therefore would ensure proper conduct of business according to guidelines and principles as enshrined in the constitution of the industry.

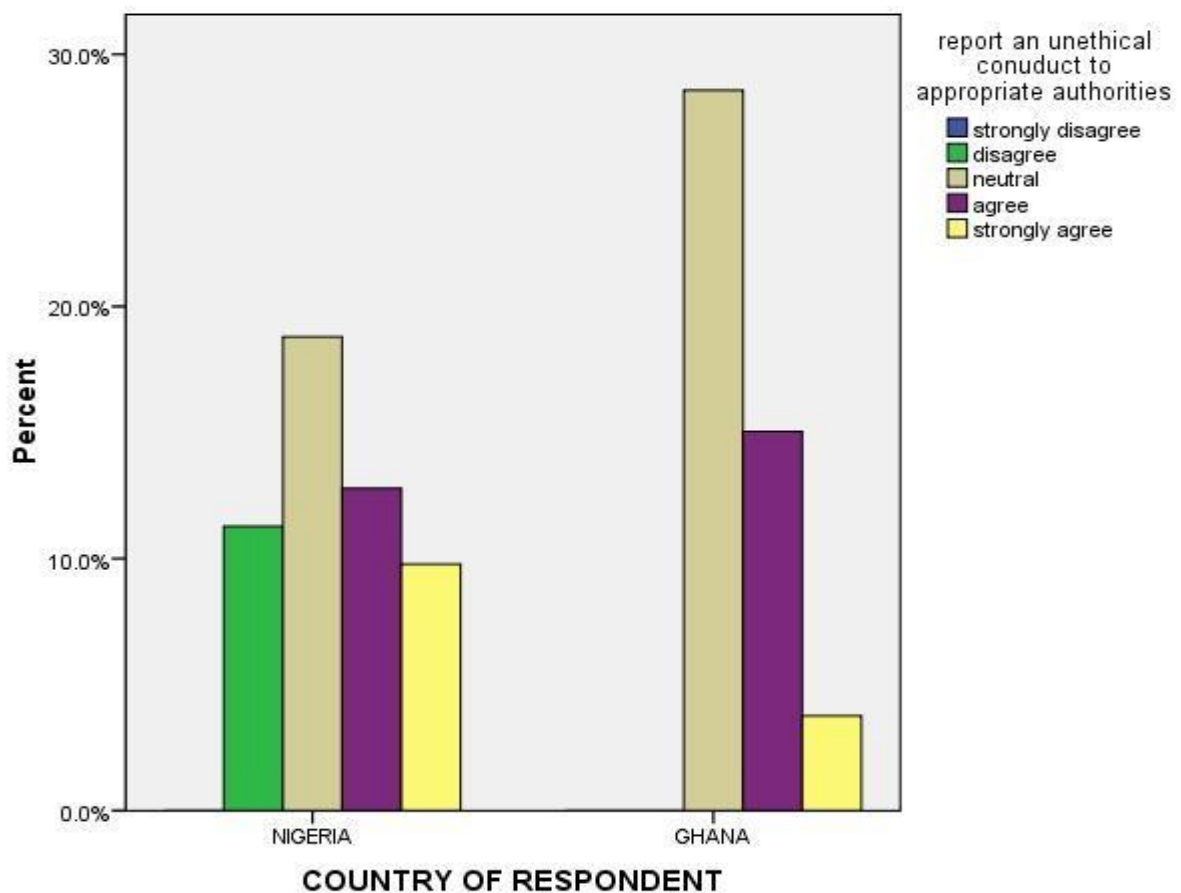


Figure 4.18 - Perception about Reporting Unethical Conducts to Authorities

4.3.8 Business Ethics is based on individual Morals

The data gathered on respondents' view on the issue of business ethics based on individual morals revealed that majority (38.1 percent) indicated their neutrality towards the issue. About 31.3 percent said they disagreed while 11.9 percent said they strongly disagreed to the fact that business ethics are based on individual morals. However, 13.4 percent agreed to the notion, with about 4.5 percent indicating their strong agreement to the notion. The majority contrasting agreement implies that conducts of business are strictly based on the institutional rules and guiding principles and not on perceived individual notions.

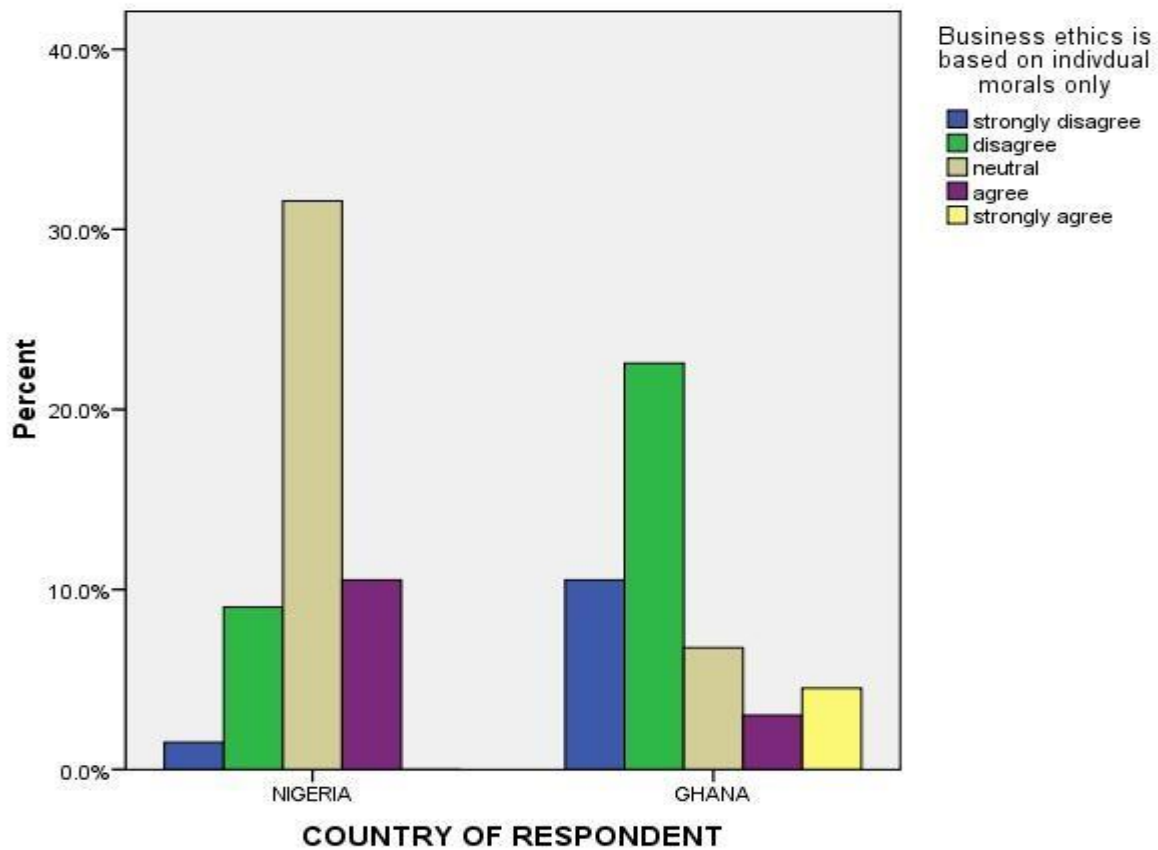


Figure 4.19 - Perception about Business Ethics based on Individual Morals

4.3.9 Personal Beliefs and influence on Decision-Making

Respondents' perception towards their personal beliefs' influences on decision-making as observed during the survey indicated that about 32.1 percent were in agreement and 14.2 percent strongly agreed to the foregoing notion. Again, 20.9 percent of the respondents indicated their indifference towards the conception while 26.1 percent disagreed, with 6.7 percent strongly in disagreement towards the idea of personal beliefs' influences on decisionmaking. Personal beliefs invariably influence decision-making processes in one way or the other. However, in some instances, as a result of institutional principles, such experiences are not circumstantial.

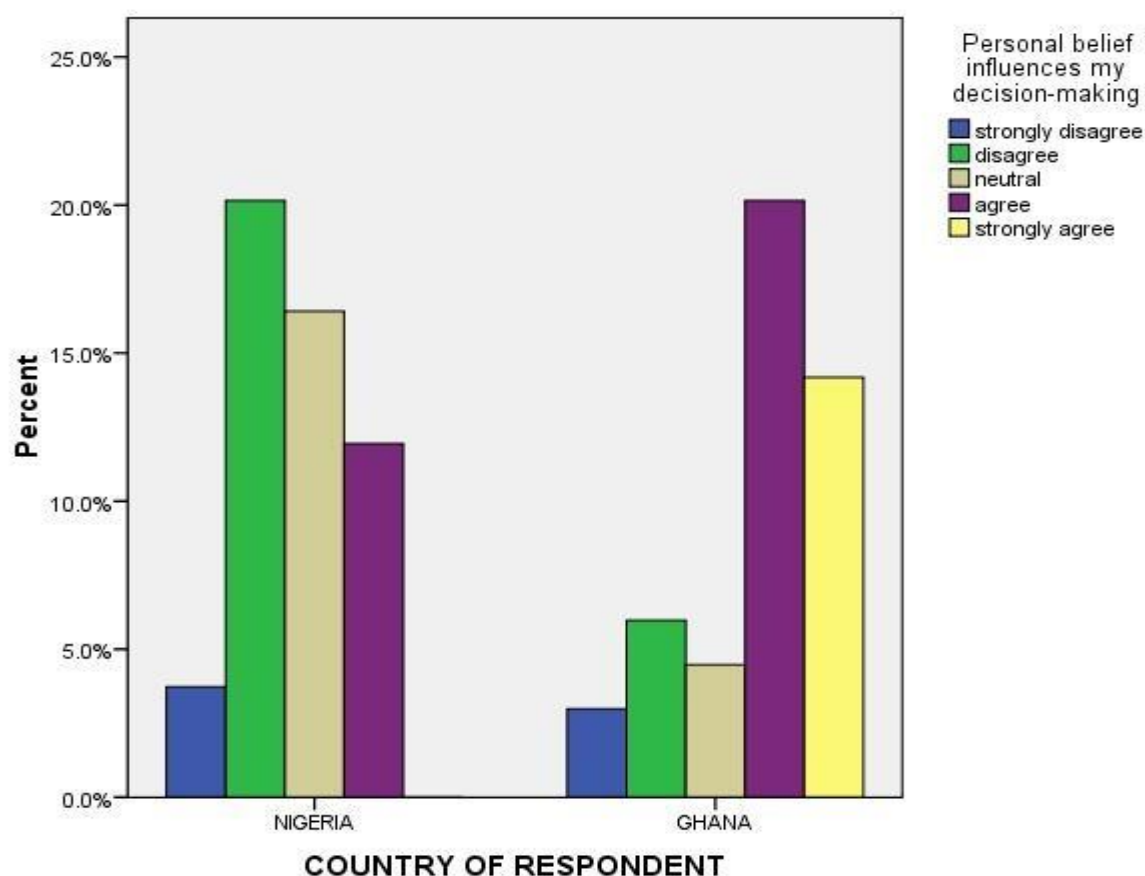


Figure 4.20 - Perception about Personal Belief Influencing Decision Making

4.3.10 Education of Ethics at the Junior High Educational Level

The survey results indicated that a majority of 35.8 percent agreed to the issue that education of ethics should be taught at the Junior High Educational Level; with 27.6 percent each strongly agreed and neutral in this regard. Again, 6.7 percent and 2.2 percent of the respondents were however respectively in disagreement with the latter in strong disagreement towards the foregoing notion. This indicates the essence of inculcating ethics in individuals from the basic educational levels in order to ensure proper conduct of business when they move into the professional institutions.

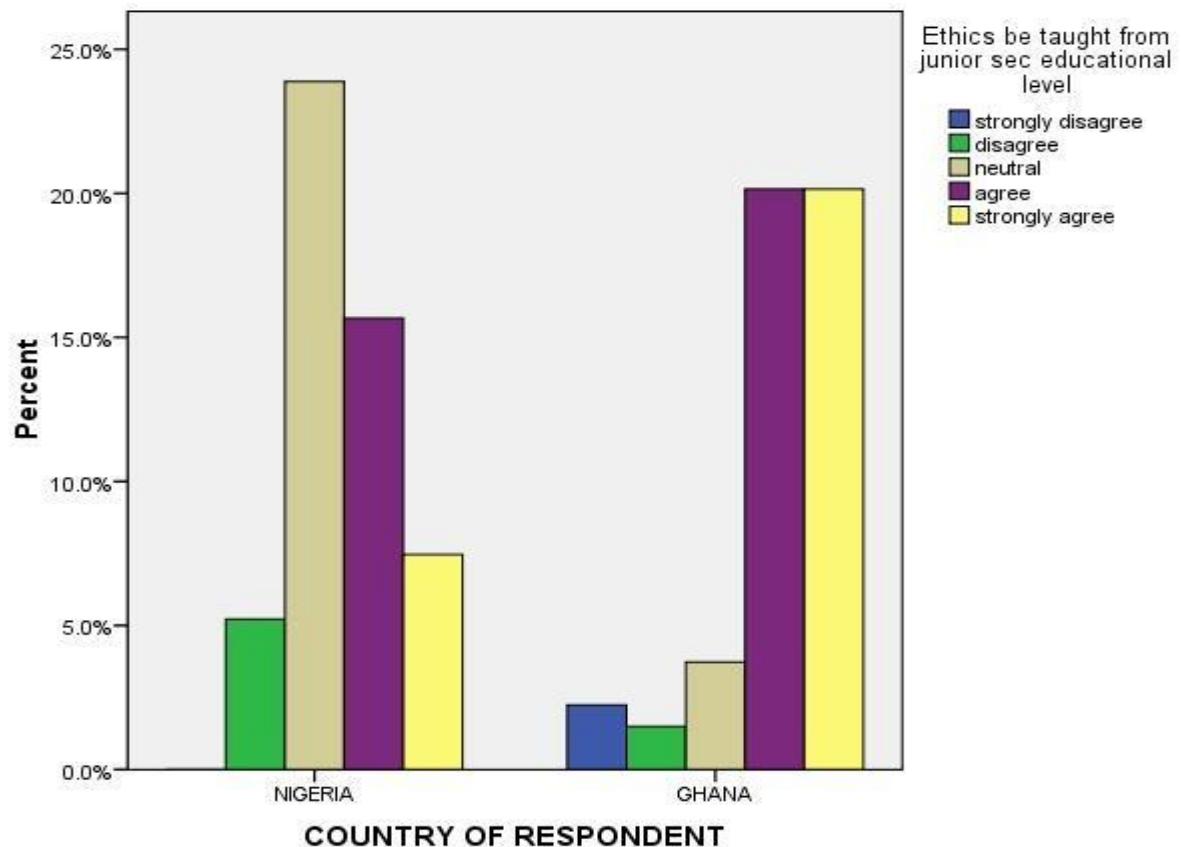


Figure 4.21 - Perception about Teaching Ethics from the JHS level

4.3.11 Education of Ethics at the Senior High Education Level

In addressing the issue to inculcate the concept of business ethics into professionals, about 34.3 percent of the respondents agreed and 18.7 percent in strong agreement that ethics should be taught at the Senior High Education Level. However, 21.6 percent expressed a different response and thus disagreed, with about 7.5 percent in strong disagreement to the foregoing conception; the remaining 17.2 percent of the respondents indicated a neutral response towards the issue. The implication is that business ethics have basis in societal conducts and hence the need to ensure imbibing the concepts not only in professionals but students as well.

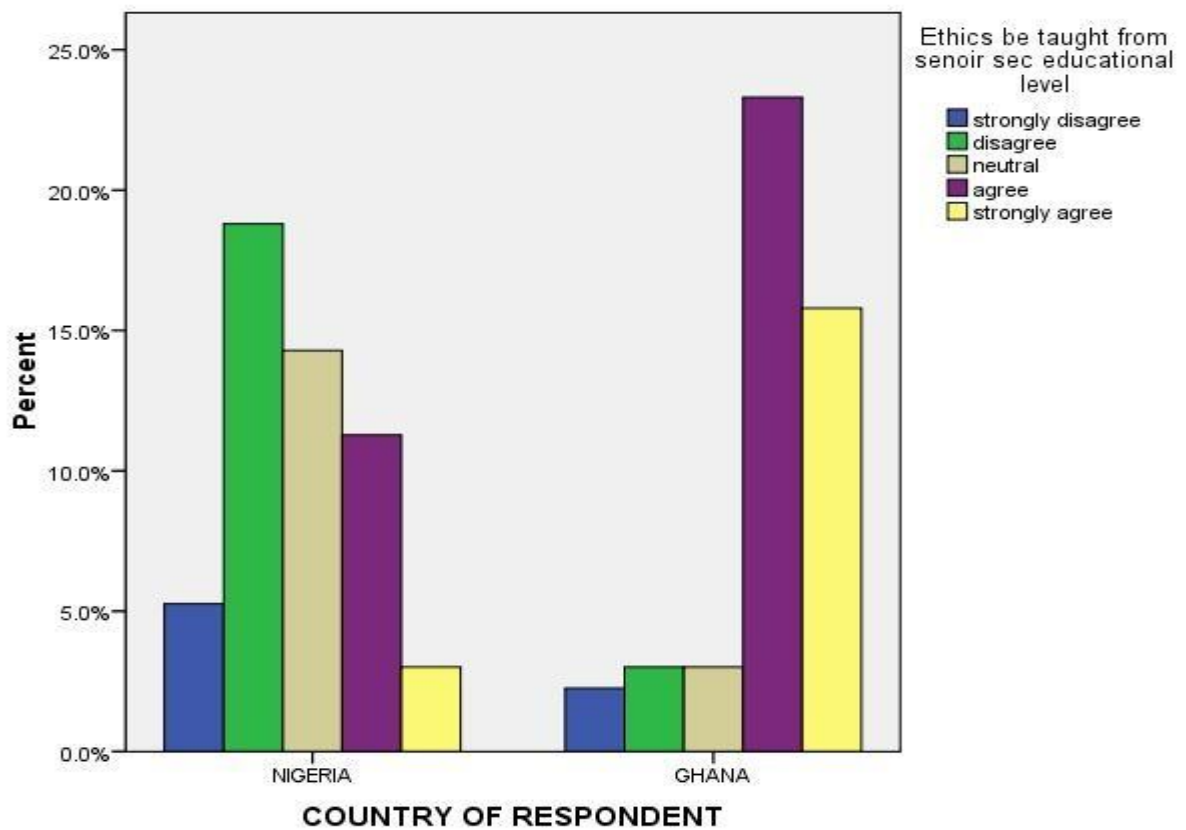


Figure 4.22 - Perception about Teaching Ethics from the SHS level

4.3.12 Unethical Practices and Cost of Project Execution

The survey findings indicated that about 14.9 percent of the respondents agreed to the fact that unethical practices increase the cost of executing a project, with 49.3 percent in strong agreement. Nevertheless, 12.7 percent of the respondents disagreed to this phenomenon while 23.1 percent of them were of a neutral opinion. The foregoing implies that the awareness of this trend will ensure the right conduct of business in order not to encounter this issue.

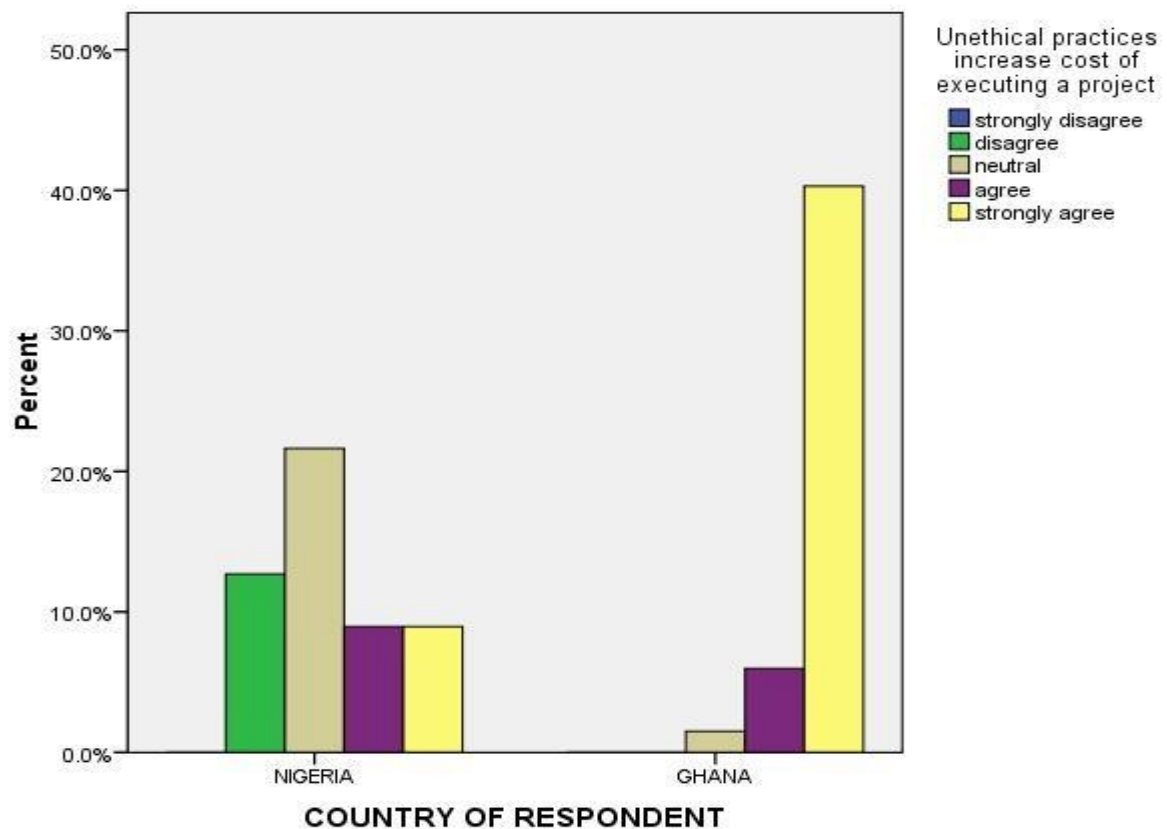


Figure 4.23 - Perception about Impact of Unethical Conduct on Cost of Executing a Project

4.4 Business Ethics in Ghana and Nigeria

This section of the study entails the comparative analysis with regards to the perceived unethical conducts in the construction industry of Ghana and Nigeria. The section therefore gives a detailed analysis by comparing and contrasting the conception in both countries and the underlying reasons for the occurrences experienced particularly in the countries.

4.4.1 Awareness of Professional Codes of Ethics

In Nigeria, about 3 percent of the respondents indicated their unawareness of the prevailing professional codes of ethics in their institutions while 6.7 percent of Ghanaians expressed their total ignorance of professional codes of ethics of their institutions. However, about 47.0

percent and 40.3 percent of respondents in Nigeria and Ghana respectively, indicated their awareness of existing codes of ethics in their professional institutions. This indicates a general

awareness of the prevailing codes of ethics by members in both countries which has positive implications on the performance of assigned responsibilities appropriately.

4.4.2 *Perceptions of Respondents*

This aspect highlights the varying perceptions of respondents from both countries who form membership to the identified professional institutes related to the construction industry. This section therefore compares and contrasts the perceptions of members in Ghana and Nigeria on the demeanours of their institutions with emphasis on bribery, fraud, quality assurance, favouritism, conflict of interest among others as depicted on Table 4.1 below.



Table 4.1 – Comparison of Perceptions about Business Ethics in the Construction Industry of Nigeria and Ghana

Issues/Perceptions	Responses	Nigeria (%)	Ghana (%)	Comparisons and Contrasts between Nigeria and Ghana
Bribery	1. Strongly Disagree	0.0	1.5	The incidence of bribery is high in Ghana as compared to Nigeria, hence indicating a high occurrence of unethical conduct of business as far as bribery is concerned in Ghana. This depicts the current issues of bribery and corruption in both Nigeria and Ghana in undertaking business by both professionals and members.
	2. Disagree	31.6	0.8	
	3. Neutral	9.8	4.5	
	4. Agree	10.5	18.0	
	5. Strongly Agree	0.8	22.6	
Fraud	1. Strongly Disagree	1.5	0.8	In Nigeria, there is a high disagreement to the incidence of fraud, the few responses in agreement to the phenomenon attests to the widely known incidents of fraudulent cases (commonly known as “419”) in the country; as indicated, Ghana is of no exception to this trend.
	2. Disagree	33.1	1.5	
	3. Neutral	9.0	7.5	
	4. Agree	9.0	33.8	
	5. Strongly Agree	0.0	3.8	
	1. Strongly Disagree	0.0	1.5	The incidences of fraud in Ghana attest to the high perception on

Quality Compromise	2. Disagree	38.8	3.7	the fact that industries compromise on quality of goods and service delivery. In Nigeria, quality is compromised on goods and service delivery on a minimal level per the findings of the survey. This indicates the availability of sub-standard goods in both countries.
	3. Neutral	9.0	23.1	
	4. Agree	4.5	13.4	
	5. Strongly Agree	0.0	6.0	
Favouritism	1. Strongly Disagree	0.7	0.7	With regards to favouritism, Ghana recorded a high prevalence rate than Nigeria. This can be attributed to the diverse regions, ethnic groups, religious or political denominations in the country, and hence in the professional institutions. In Nigeria however, favouritism is mainly accustomed to the religious divisions (i.e. Christianity and Islam) as currently being experienced.
	2. Disagree	22.4	2.2	
	3. Neutral	19.4	5.2	
	4. Agree	6.7	33.6	
	5. Strongly Agree	3.0	6.0	
Conflicts of Interests	1. Strongly Disagree	0.7	0.0	The issue of the differences associated with the various ethnic groups, region, religion etc, in Ghana undoubtedly account for the conflicts of interests experienced at the professional institutions. The issue in Nigeria, though quite favourable, however portrays
	2. Disagree	29.9	2.2	
	3. Neutral	7.5	15.7	
	4. Agree	13.4	26.9	

	5. Strongly Agree	0.7	3.0	the occurrence of the phenomenon in the professional institutions.
Gifts, Meals and Entertainment	1. Strongly Disagree	0.0	1.5	In Nigeria, professional institutions have few motivating packages in terms of gifts, meals and entertainment for their members. The situation in Ghana is laudable as significant responses indicated that such motivating packages are prevalent in their respective professional institutions, with only a few contrasting opinions.
	2. Disagree	25.4	2.2	
	3. Neutral	12.7	3.7	
	4. Agree	4.5	17.9	
	5. Strongly Agree	9.7	22.4	
Unfairness in Tendering Process	1. Strongly Disagree	0.7	0.0	In considering the nature of the tendering process, the situation in Nigeria portrayed an overall fairness in the process. In Ghana however, the responses indicate a high incidence of unfairness in the tendering process. This is an indication of the high number of shoddy construction works (e.g. roads) constructed in Ghana.
	2. Disagree	31.3	1.5	
	3. Neutral	14.2	6.7	
	4. Agree	5.2	33.6	
	5. Strongly Agree	0.7	6.0	
Over-Billing	1. Strongly Disagree	2.3	0.8	The high incidences of bribery, fraud and favouritism in Ghana account for the high prevalence of over-billing in the construction industry. In Nigeria, the incidences of over-billing are minimal and
	2. Disagree	29.3	2.3	
	3. Neutral	15.8	3.0	

	4. Agree	4.5	30.1	hence attest to the fewer occurrences of the unethical practices of fraud, bribery and favouritism experienced, as compared to Ghana.
	5. Strongly Agree	0.8	11.3	
Negligence/Breach of Professional Responsibility	1. Strongly Disagree	5.3	0.8	With regards to negligence/breach of professional responsibility, the prevalence in Ghana is higher than in Nigeria. In Ghana, this unethical business practice forms the basis for the occurrences of the other demeanours (i.e. fraud, bribery etc). The case in Nigeria however portrays a positive attitude towards the execution of roles.
	2. Disagree	27.1	5.3	
	3. Neutral	19.5	16.5	
	4. Agree	0.8	22.6	
	5. Strongly Agree	0.0	2.3	

Source: Author's Construct, August 2012.

4.5 Dealing with Unethical Business Practices

The study took into due consideration, suggested measures that can be put in place by the various professional institutions to curtail the various unethical business demeanours by professionals. This section therefore gives an evaluative description of the suggested measures as gathered during the survey, to curb unethical practices in the construction sector of both countries, i.e. Nigeria and Ghana. The section further highlights the suggested efforts the governments of both countries can put in place in regulating the professional institutions related to the construction industry.

4.5.1 Measures to Curb Unethical Business Practices

The data collected during the survey in relation to plausible measures that can be adopted by the various professional institutions in addressing unethical business practices revealed that a majority (3.7 percent) of the respondents indicated that ethical concepts should be introduced and taught at the early stages of educational levels. The survey results further indicated that suggestions associated with organizing occasional workshops for members on ethical business codes and conducts; and improving the professional body, each constituting 2.2 percent were observed as well. The remaining responses were mainly on banning of erring professionals, creating innovative and counter measures, disciplinary actions against victims, withdrawal of erring professionals' certificates, initiating proactive constituting laws to combat unethical practices among others.

The foregoing gives a general implication that members of the various professional institutions have a variety of plausible measures that can be adopted by their respective institutions in curbing unethical business practices. This will invariably promote the execution of appropriate business conducts and hence ensure the delivery of standard goods. 64

4.5.2 Suggested Governments' Regulations

Findings from the survey indicate that a majority of the respondents constituting 3.7 percent of the respondents asserted that governments should encourage the total development of the construction industry with stringent rules or laws. In addition, the results revealed that about 3.0 percent suggested government should be involved in the development of the construction industry entirely. From the survey, other responses were mostly on the need for governments to: enforce the laws that govern the various professional bodies, formulate and implement strict laws on all unethical activities; apply the local contract bill in all areas including the construction sector, ensure fairness and openness in tendering and award process etc.

With due consideration to the foregoing suggestions, there is a general implication that participation of members in decision-making processes that affect governments' efforts towards the overall governance of the nation, and in this case, the construction industry, can create a platform where such plausible interventions can be adopted and implemented to regulate the construction industry ethically.

In order to address weaknesses in public procurement and instill reforms in the Ghanaian public sector, the Public Procurement Act (Act 663) (PPA) was enacted in 2003. The act sets out the legal, institutional and regulatory framework to secure fiscal transparency and public accountability (Anvuur *et al.* 2006). They further submit that the Act establishes the five basic pillars of public procurement as adopted by the World Bank: comprehensive, transparent legal and institutional framework; clear and standardized procurement procedures and standard tender documents; independent control system; proficient procurement staff; and anti-corruption measures. Notable provisions in the Act are highlighted below:

- The PPA provides for the establishment of a public procurement board as a legal corporate entity.
- The Act stipulates procedures for the sizing of tender packages, soliciting and evaluating tenders and for contract award.
- The board duties include, to; provide policy and regulatory oversight functions; provide training and capacity building for procurement officials; hear appeals and complaints; assist local industries to become competitive and efficient suppliers to the public sector.

Similarly in year 2007 in Nigeria, the Public Procurement Act 2007 was enacted. The Act establishes the National Council on Public Procurement and the Bureau of Public Procurement (BPP) as the regulatory authorities responsible for the monitoring and oversight of public procurement, harmonizing the existing government policies and practices by regulating, setting standards and developing the legal framework and professional capacity for public procurement in Nigeria; and for related matters (BPP, 2012).

4.6 Case Study of Unethical Conduct

This section takes a look at typical case study of reported unethical conduct exhibited in the construction industry of the countries under consideration. The scenario in both Nigeria and Ghana shows collaboration between foreign private companies (multinationals) and the public sector (government officials) of the host countries. It is worthy of note that in the home countries, the staff of the foreign companies easily admit to their unethical behaviours and were duly punished by law; whereas the government officials in the host countries are easily left off the hook and walk as free men today.

4.6.1 Mabey and Johnson Case in Ghana

Mabey and Johnson (M&J) is a British based group of engineering companies which undertook projects in Ghana in the 1990s. The company specializes in bridge building, steel fabrication, plant hire and construction products. Listed on the 'Top Track 250', the group is one of the leading bridge suppliers in the world. In 2009, the company became one of the first major British companies to be convicted of foreign bribery by the Serious Fraud Office (SFO) of the United Kingdom. In a plea bargain with SFO, Mabey and Johnson claimed to have paid bribes to five Ghanaian government officials to the tune of £470,000 in order to secure contracts worth £26million. The British Southwark Crown court found the company guilty and in her judgement, M&J was fined £750,000 in respect of the case against Ghana and ordered for reparation of the said sum back to Ghana. The solicitor of M&J, T. Langdale accepted the ruling and promised to co-operate.

In a related development, the then president of Ghana, President Mills directed the former attorney-general (AG), Betty-Mould Iddrisu to investigate the M&J bribery case. After her fact-finding mission trip to London, the AG advised that the Commission for Human Rights and Administrative Justice (CHRAJ) should investigate the case. The accused persons challenged the jurisdiction of CHRAJ; the Supreme Court then dropped CHRAJ in favour of a court of law. Therefore, the Criminal Investigation Department of the Ghana Police Service began investigation into the matter. In a sharp contrast, by mid 2011, the final reports of the investigation presented to the attorney-general of Ghana by the police administration found all the accused persons not guilty of the allegation leveled against them for collecting bribes from Mabey and Johnson limited.

Meanwhile, as part of remedial action taken by M&J following the embarrassing scandal, all its five directors who were considered to be actively involved in the bribery case have stepped down and ceased to be employees of the company, new ethical procedures were 67

introduced, further training was given to the staff, and an external monitor was appointed.

(The Guardian, 2009; Ghana web, 2011)

4.6.2 Halliburton Bribery Scandal in Nigeria

Halliburton is one of the world's largest oilfield services company with operations in more than 70 countries. The company provides technical products and services for petroleum and natural gas exploration and production through its major business segment; the Energy Service Group. Its former subsidiary KBR (Kellogg-Brown & Root) is a major construction company which specializes in building refineries, oil fields, pipelines, and chemical plants.

In 2008, the bribery case involving Halliburton and KBR relates to an alleged \$182million paid as bribe to secure a contract worth \$6billion to build a liquefied natural gas plant on Bonny Island in southern Nigeria. A court in Houston Texas found KBR, Albert Stanley, and Jeffery Tesler (the facilitators of the bribe) guilty. The culprits were fined and sentenced to various jail terms. In early 2009, KBR agreed to pay \$402million as fine after admitting that it bribed the government officials in Nigeria to secure the contract. In the same vein, Halliburton paid \$177million to settle allegations by the US Securities and Exchange Commission without admitting wrongdoing.

Embarrassed by the bad image of the Federal Government of Nigeria for not prosecuting the bribery case, whereas foreigners involved in the same scam had been convicted both in the US and UK, the former president of Nigeria, late president Musa Yar'Adua in April 2009 setup an inter-agency committee headed by the Nigeria Police to investigate the case and prosecute culpable government officials. In late 2010, the Nigerian government filed corruption charges against Dick Cheney (former Vice-president of US under the Bush administration) since he was the chairman and CEO of Halliburton company from 1995 68

2000. By mid December 2010, the Nigerian government agreed to drop the corruption case against Cheney and Halliburton in exchange for a \$250million settlement. Meanwhile the trial of the implicated government officials in Nigeria which began in February 2011 was treated in a shambolic manner due to the political big-shots involved in the case. By March 2012, the Abuja high court struck out the case with no conviction of any culprit. (Punch,

2012; CNN, 2010).



CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

This chapter as a sequel to chapter four defines the summary of the findings; recommends policy interventions for effective and ethical regulation of the construction industry and finally, the conclusion of the entire study.

5.2 Summary of Findings

These discussions on business ethics in the construction industry is focused on diverse perception of respondents in Nigeria and Ghana towards unethical business conducts; a comparative analysis of the situation in both countries; and suggested measures to be adopted by both professional institutions and governments in dealing with unethical business practices. This section of the chapter therefore entails the findings from the issues discussed in the analysis.

5.2.1 Awareness of Codes of Ethics

The survey results generally indicated that professional institutes' codes of ethics are widely made known to member with a majority of the members of professional institutes

representing 87 percent attesting to this fact. However, only 9 percent of the respondents who are members of a particular professional institute indicated that they were not aware of the codes of ethics of their institutions.

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5.2.2 Perceptions of Respondents

1. Perceptions on Bribery

With regards to perception on bribery, the survey findings indicated a majority (51.6 percent) perception on the prevalence rate of the phenomenon in their professional institution. The results however indicated a 33 percent contrasting opinions from the respondents as to their disagreement of the incidence of the bribery in their institution. The remaining 14.2 percent indicated neutrality complex in the prevalence of bribery in their professional institution.

2. Perceptions on Fraud

The data gathered in relation to respondents' perception on the prevalence of fraud in their institutions indicated a general majority (46.2 percent) view of its occurrence. The survey results further indicated that 16.4 percent hold neutral views towards the prevalence of fraud in their institutes. From the findings, about 36.5 percent of the respondents held a divergent view to fraud prevalence in their professional institutions.

3. Perception on Quality Compromise

With regards to the existence of compromise on quality in their professional institutes, the results indicated a low occurrence of the phenomenon with 44.0 percent of the respondents attesting to this fact. In addition, the results revealed that as many as 32.1 percent of members stood on neutral grounds as far as compromise on quality in their institutes are concerned. In spite of this, the finding indicated that about 23.9 percent of the respondents attested to the compromise on quality in their institutions.

4. Perception on Favouritism

The responses with regards to perception on favouritism from the survey indicated a high (49.3 percent) prevalence rate of the issue in their institution. The results further indicated that the incidence of favouritism in the institutions were not a wholly prevailing issue in the 71

institutions. Therefore, per the findings, about 24.6 percent of the respondents gave the neutral responses towards the prevalence of the issue of favouritism in their institutions.

5. Perception on Conflicts of Interests

From the survey conducted, the findings revealed a major (44.0 percent) attestation to the incidences of conflicts of interests in their institutions. The findings indicated that about 32.8 percent portrayed divergent views to the existence of conflicting interests in their institutions; with 23.1 percent portraying neutral views in this regard.

6. Perception on Gifts, Meals and Entertainment

With reference to the motivation of members in the form of gifts, meals and entertainment, the findings indicated that such incentive packages are provided to members. Generally, about 54.5 percent of the respondents attested to this fact while 29.1 percent of them held a different opinion; with the remaining 16.4 percent having a neutral perception as far as the foregoing occurrence is concerned.

7. Perception on Unfairness in Tendering Process

From the findings, respondents portrayed a majority (45.5 percent) response towards the existence of unfairness in the tendering process in their institutions; with about 33.5 percent expressing a contrasting opinion to the foregoing. The results further indicated that about

20.9 percent of the respondents held a neutral perception.

8. Perception on Over-Billing

The survey findings revealed that the existence of over-billing in the professional institutions was high as indicated by about 46.2 percent in general. However, per the findings, about 34.3 percent of the respondents were of a different opinion to the occurrence of the phenomenon.

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Furthermore, 18.7 percent of the respondents were indifferent and thus indicated neutrality towards the existence of over-billing in their institutions.

9. Perception on Negligence/Breach of Professional Responsibility

From the survey, the data indicated that negligence/breach of professional responsibility was generally on an appreciable level as attested by about 25.3 percent of the respondents. The findings also indicated that about 37.1 percent of the respondents were in disagreement to the prevalence of negligence/breach of professional responsibility in their institutions. The majority as observed from the survey however indicated their neutrality towards the issue.

10. Other Perceptions

The survey results moreover revealed that other demeanours that are prevalent in their professional institutions included improper consultations, kick backs; improper planning, evaluation and monitoring; political interferences and overall defiance of ethics.

5.2.3 Issues on Business Codes and Ethics

The survey findings revealed that issues on the effectiveness of professional institutions towards resolving unethical conducts were minimal. With due consideration to the efforts of governments' in regulating business ethics in the construction industry, the survey findings revealed that governments' efforts were inadequate. The findings again revealed that complications were marginally associated with compliance with industrial ethics.

Nevertheless, respondents generally attested to the fact that emphasis is placed on compliance to ethics in their professional institutions. In addition, the findings from the survey indicated that respondents were of a general opinion to report unethical conducts to appropriate authorities; others held divergent views however. The survey findings further revealed that 73

with regards to the fact that business ethics are based on individual morals, the responses were in contrast to the foregoing phenomenon.

Moreover, the findings from the survey indicated that there was a major general attestation to the fact that individual personal beliefs have immense influence on decision-making that affect their professional institutions. Despite this, the findings revealed neutral and marginal divergent views from other respondents. Furthermore, the research findings indicated that business ethics should be taught at the Junior High Educational Level with a majority of the respondents attesting to this issue. In the same vein, responses towards introducing business ethics to students in the Senior High Educational Level were positively expressed with some opposing views from other respondents towards this trend. Finally, with regards to the issue that unethical practices increase the cost of executing projects, majority of the respondents as observed from the survey attested to the validity of the foregoing claim.

5.2.5 *Business Ethics in Nigeria and Ghana*

The analysis undertaken in comparing and contrasting the views of respondents in Nigeria and Ghana revealed that the incidences of bribery were high in Ghana as compared to Nigeria; however, the incident was also prevalent in Nigeria. The findings further revealed that incidences of fraud were again higher in Ghana than in Nigeria, where respondents indicated a high rate of disagreement to the incidence of fraud.

In addition to the above, the survey indicated that the high incidences of fraud in Ghana accounted for the high perception on the fact that industries compromise on quality of goods and service delivery. In Nigeria, quality is compromised on goods and service delivery on a minimal level per the findings of the survey. With regards to favouritism, Ghana recorded a high prevalence rate than Nigeria as observed from the survey findings.

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The survey results have also made known of the fact that professional institutions have few motivating packages in terms of gifts, meals and entertainment for their members in Nigeria. The situation in Ghana per the findings indicated significant responses on the availability of such motivating packages in the respective professional institutions, with only a few contrasting opinions.

In considering the nature of the tendering process, the situation in Nigeria portrayed an overall fairness in the process. In Ghana however, the responses indicated a high incidence of unfairness in the tendering process as observed from the survey. The survey further indicated that the high incidences of bribery, fraud and favouritism in Ghana accounted for the high prevalence of over-billing in the construction industry than in Nigeria where the incidences of the issue of over-billing were minimal.

Finally, with regards to negligence/breach of professional responsibility, the findings indicated a higher prevalence rate in Ghana than in Nigeria; and thus indicated that the occurrences of these practices in Ghana, forms the basis for the occurrences of the other demeanours (i.e. fraud, bribery etc). The survey results further showed that the attitudes in Nigeria were however positive towards the execution of roles.

5.3 Conclusion

The objective of this questionnaire survey was to provide comparative insights into the current trends obtainable in the construction industry of Ghana and Nigeria viz – a – viz the unethical conducts prevalent in the industry. In conclusion, it has been observed that unethical conducts such as bribery, fraud, compromise on quality, over-billing, etc exist in both countries with varying degree of occurrences and majority of the respondents (90%) strongly agree that unethical behaviours increases the cost of executing a project. Though it 75

could not verified if the actions of the respondents where in consonance with their responses. Since construction industry has been viewed as a catalyst for economic activity needed for the quantum leap of developing nations like Nigeria and Ghana, it is therefore imperative that all stakeholders (government, professionals, professional institutions, manufacturers of building materials, contractors, and multinationals) in the construction industry must be dogged in the fight against unethical practices. Though government has been seen as the one to create the platform and enabling environment upon which other stakeholders will latch unto. Only then would the vision of becoming an economic giant be actualized by these

countries.

5.4 Recommendations

Based on the lessons from the literature review and the findings of the research study, the following suggestions have been proposed to inform policy formulation to ensure ethical conduct of business for leveraging sustainable production and development of the construction industry in both Nigeria and Ghana. Government of both countries should as a matter of urgency, enforce the laws governing the process of bidding and tendering, award, and execution of a contract. Transparency should be a watchword in the entire contract award process to reduce or even completely eliminate the issues of favouritism, and unfairness in tendering process.

There should be less or no political interference in the contract award process, the rule of law should be allowed to take its full course in the prosecution of government official found culpable in unethical conduct; adherence to due process should upheld. Monitoring and supervising commissions or agencies set up to combat unethical conducts should be adequately funded and given the necessary legislative backing.

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Other stakeholders and professionals should be resolute in their commitment to upholding ethical principles. Professional bodies should be awake to their responsibilities. Their members ought to be monitored and trainings organized regularly along ethical lines. Punitive measures should be meted out to erring members such as withdrawing professional licenses without fear or favour.

Ethics should be part of the Senior Secondary School curricular in order to inculcate ethical principles in the future leaders and professional; like the Holy Book said “ train up a child in the way he should go and when he is old, he would not depart from it”.

Due to logistics and time constraint, a larger sample size could not be used. For future researches, a larger sample size should be taken into consideration to give a more comprehensive and elaborate results which would depicts the actual position of the sample frame in question.

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APPENDIX
QUESTIONNAIRE

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Survey of stakeholders and professionals' perception about business ethics in the construction industry

Dear sir/madam,

I am conducting an opinion survey about the perception of professionals and stakeholders as it pertains to how business ethics is conducted in the construction industry. Be assured that the responses given will be treated with all confidentiality as required by ethical consideration of this survey.

SECTION A

1 What is your profession?

Architect ☐ Engineer ☐ Q. Surveyor ☐ Estate Manager ☐ Contractor ☐ Others ☐

1b. If others, please

state

2. How long have you been practicing?

1-4 years ☐ 5-9 years ☐ 10-15 years ☐ 16-20 years ☐ More than 20 years ☐

3. Are you a member of a professional institute?

Yes ☐ No ☐

3b If yes, please

state

.....4. Are you aware of the professional institute code of ethics?

Yes ☐ No ☐

SECTION B

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The following items are designed to help me understand your perception on certain ethical issues as a professional. Please respond to each item and indicate your agreement or disagreement with each by using the following scale: [Strongly disagree (1) Disagree (2) Neutral (3)

Agree (4) Strongly Agree (5)

1. The under-listed practices are prevalent in the construction industry:

(a) Bribery 1 2 3 4 5

(b) Fraud 1 2 3 4 5

(c) Compromise on Quality 1 2 3 4 5

(d) Favouritism 1 2 3 4 5

(e) Conflict of interest 1 2 3 4 5

(f) Gifts, meals, and entertainment 1 2 3 4 5

(g) Unfairness in tendering process 1 2 3 4 5

(h) Over-billing 1 2 3 4 5

(i) Negligence/Breach of professional responsibility 1 2 3 4 5

(j) Others, please state.....
.....
.....

2 Professional institutes are effective in dealing with unethical conducts encountered in the industry.

1 2 3 4 5

2b. please state the measures in place by the Institutes to check erring professionals.

.....
.....
...

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3 The government does enough to regulate business ethics in the construction industry.

1 2 3 4 5

3b. Suggest other measures government could put in place to regulate the industry.

4 Complying with ethics in the industry is complicated.

1 2 3 4 5

5 Emphasis is placed on ethics compliance in my organization

1 2 3 4 5

6 I would report an unethical conduct I noticed to the appropriate authorities.

1 2 3 4 5

7 Business ethics is based on individual morals only.

1 2 3 4 5

8 My personal belief influences my decision-making on the job.

1 2 3 4 5

9 To inculcate the concept of business ethics into professionals, ethics should be taught from the Junior Secondary educational level.

1 2 3 4 5

10 To inculcate the concept of business ethics into professionals, ethics should be taught from the Senior Secondary educational level.

1 2 3 4 5

11 Unethical practices tend to increase the cost of executing a construction project.

1 2 3 4 5

Thank you for your participation